

# New Mexico Department of Health Developmental Disabilities Supports Division

HCBS Waivers Rate Study Recommendations

June 2023



**PUBLIC**  
CONSULTING GROUP

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# I. EXECUTIVE SUMMARY

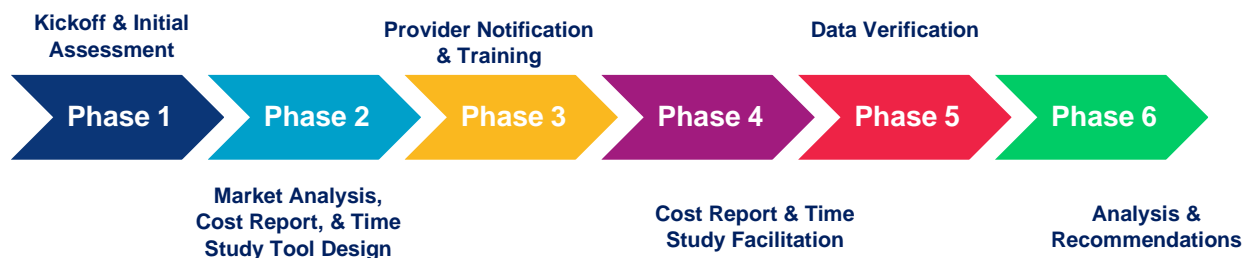
## OVERVIEW

The New Mexico Department of Health (DOH), Developmental Disabilities Supports Division (DDSD or the Division) operates New Mexico's four 1915(c) Home and Community Based Services (HCBS) Medicaid Waiver programs, including the Developmental Disabilities Waiver, the Medically Fragile Waiver, the Mi Via Self-Directed Waiver, and the Supports Waiver.

The Division contracted with Public Consulting Group LLC (PCG) in September 2022 to lead an HCBS Waivers Rate Study and Provider Capacity Assessment. In accordance with the scope of work, PCG conducted an independent rate study to recommend reimbursement rates for the provision of specific services for individuals with intellectual and developmental disabilities receiving services through the Developmental Disabilities, Mi Via, and Medically Fragile Waiver programs, including cost of living annual adjustments. This report also contains related programmatic research, analysis, and recommendations. The Provider Capacity Assessment report is forthcoming in the summer of 2023.

## PROJECT APPROACH

FIGURE 1: 2022 DDSD HCBS WAIVERS RATE STUDY METHODOLOGY OVERVIEW



As shown in **Figure 1**, PCG employed its proven approach to conducting rate studies for this engagement, which consisted of six phases, including:

1. **Kickoff & Initial Assessment** – securing critical input from the DDSD project team and the Advisory Council on Quality Supports for Individuals with Developmental Disabilities and Their Families (ACQ) Subcommittee as part of the kickoff and initial assessment (including initial data request) of HCBS Waiver programs.
2. **Market Analysis, Cost Report, & Time Study Tool Design** – designing and developing tools and methodologies for data collection including market salary research, provider and vendor cost reporting, and a time study for employees and contractors of the provider/vendor with input from DDSD and the ACQ.
3. **Provider Notification & Training** – notifying the provider and vendor communities about the rate study and training providers (administrators and fiscal staff), vendors, and direct service staff on the tools.
4. **Cost Report & Time Study Facilitation** – supporting providers, vendors, and staff in completing the cost report and time study tools.

5. **Data Verification** – conducting quality assurance and verification of all data received,
6. **Analysis & Recommendations** – analyzing the collected data and developing and presenting recommendations, utilizing an established rate build-up methodology.

Throughout each phase PCG engaged with stakeholders, including the ACQ, which was fundamental to PCG’s approach to the rate study. In addition, a project team made up of representatives from DDS and PCG met and communicated regularly to lead the project. PCG and DDS also met with the ACQ Rate Study Subcommittee periodically throughout the project in an advisory capacity.

PCG collected provider and vendor information from four primary data sources: time studies, cost reports, personnel rosters, and market research. Overall, PCG received 1,452 time study tools, 33 cost reports, and 33 personnel rosters. PCG employed comprehensive quality assurance (QA) processes and controls to ensure that provider submissions and all corresponding data and analyses were complete and accurate. Based on QA data cleaning, some data was excluded from the study due to incomplete and/or inaccurate data. The following table delineates the number (and percentage) of provider submissions used in the analyses compared to the total number collected.

**TABLE 1: DATA COLLECTION TOOLS RECEIVED & USED IN THE ANALYSES**

Tool	Number Received	Number Used
Time Studies Received	1,452	1,226 (84%)
Cost Reports Received	33	31 (94%)
Personnel Rosters Received	33	31 (94%)

### **Time Study**

A time study was implemented to measure the amount of time provider staff spend performing direct services (billable functions) and indirect and other administrative (non-billable) activities. Staff were asked to record all the time they worked on HCBS Waiver services and related tasks for 14 days, between February 20, 2023, and March 12, 2023, using Excel-based time study tools, developed by PCG and specific to New Mexico. The results from the time study were used to calculate a billable factor (percentage of time spent on billable versus unbillable/indirect activities) and a mileage factor to help ensure that the rate calculations account for all billable and non-billable time (including travel).

### **Cost Report**

A cost report was utilized to capture revenue, expenses (personnel and non-personnel), and service details from HCBS provider agencies for State Fiscal Year (SFY) 2022 (July 1, 2021, through June 30, 2022). The cost report helped PCG and DDS understand the full costs associated with delivering HCBS Waiver services in New Mexico. The cost report was comprised of a **cost instrument** and a **personnel roster** (both Excel-based workbooks) which were tailored to New Mexico’s HCBS Waiver Programs with input from DDS and the ACQ Rate Setting Subcommittee. The cost instrument captured revenue, personnel expenses, and other expenses associated with providing HCBS Waiver services. The personnel roster captured information about all employees and subcontractors within each provider agency, including their discipline and qualifications, and total hours and amount paid for SFY 2022. Data from the cost reports were used to calculate the administrative factor (i.e., the percentage of total costs attributable to administrative support) for the rate study, while the personnel roster data were used to establish the average reported salaries for each discipline which, along with Bureau of Labor Statistics

(BLS) data from the market research, are used as the anchor rate input in our rate build-up models. The personnel roster analyses were also used to ascertain the Tax and Fringe Rate, another key input used in calculating the rates.

## Market Analysis

PCG conducted market research for the positions identified from the personnel roster to help establish an understanding of wages for similar positions and inform rate calculations. PCG used data from the U.S. Department of Labor, BLS, Occupational Employment and Wage Statistics program, which produces employment and wage estimates for occupations across the country.

## RECOMMENDATIONS

Recommendations specific to the Programmatic Assessment can be found in that section of this report. PCG recommends the rates on the following pages based on the methodologies and calculations described in this report. PCG's scope did not include all services for the three waivers and only those services in Tables 2 - 4 below are included in the scope.

**TABLE 2: DEVELOPMENTAL DISABILITIES CURRENT AND PROPOSED RATES, STANDARD AND INCENTIVE**

Service	Billable % Used	Billable Source	Unit	Current Rate	Current Incentive Rate	Recommended Rate	Recommended Incentive Rate
Behavioral Support Consultation	54%	Industry Standard	15 Min	\$24.39	\$31.46	\$29.57	\$38.14
Case Management, On-Going	70%	Industry Standard	Monthly	\$314.35		\$352.46	
Customized Community Support, Individual	64%	Time Study: Service Category 4	15 Min	\$8.86		\$11.62	
Customized Community Support, Group Category 1	66%	Time Study: Service Category 3	15 Min	\$2.68		\$2.81	
Customized Community Support, Group, Category 2 Extensive Support	66%	Time Study: Service Category 3	15 Min	\$5.21		\$6.40	
Customized Community Support, Small Group	66%	Time Study: Service Category 3	15 Min	\$5.73		\$5.73	
Customized In-Home Supports Living with Family or Natural Supports	89%	Time Study	15 Min	\$7.99		\$7.99	
Customized In-Home Supports, Living Independently	89%	Time Study	15 Min	\$7.99		\$7.99	

Service	Billable % Used	Billable Source	Unit	Current Rate	Current Incentive Rate	Recommended Rate	Recommended Incentive Rate
Family Living	77%	Time Study: All Responses	Daily	\$152.96		\$181.39	
Supported Living Category 1 Basic Support	89%	Time Study: Service Category 5	Daily	\$210.35		\$210.35	
Supported Living Category 2 Moderate Supports	89%	Time Study: Service Category 5	Daily	\$258.69		\$258.69	
Supported Living Category 3 Extensive Supports	89%	Time Study: Service Category 5	Daily	\$339.09		\$339.59	
Supported Living Category 4 Extraordinary Medical/Behavioral Support	89%	Time Study: Service Category 5	Daily	\$435.81		\$440.25	
Adult Nursing Services, Registered Nurse (RN)	65%	Industry Standard	15 Min	\$24.36		\$28.20	
Adult Nursing Services, Licensed Practical Nurse (LPN)	65%	Industry Standard	15 Min	\$16.59		\$18.97	
Respite	93%	Time Study	15 Min	\$4.82		\$7.08	
Occupational Therapy	56%	Time Study	15 Min	\$34.93	\$44.54	\$38.68	\$49.32
Occupational Therapy Assistant	56%	Time Study: Occupational Therapy Results	15 Min	\$23.78	\$31.20	\$25.64	\$33.64
Physical Therapy	60%	Time Study	15 Min	\$34.93	\$44.54	\$47.25	\$60.25
Physical Therapy Assistant	59%	Time Study	15 Min	\$23.78	\$31.20	\$26.50	\$34.76
Speech, Language Pathology	54%	Time Study	15 Min	\$34.93	\$44.54	\$46.35	\$59.10
Community Integrated Employment Job Maintenance	66%	Time Study: Service Category 3	Monthly	\$951.66		\$1,296.20	
Assistive Tech Purchase Agent	77%	Time Study: All Responses	15 Min	N/A		\$18.88	
Socialization and Sexuality Education	65%	Industry Standard	Each	\$354.00	\$708.00	\$509.88	\$1,019.75
Vendor/Call Center Remote Support	77%	Time Study: All Responses	15 Min	N/A		\$9.58	

Service	Billable % Used	Billable Source	Unit	Current Rate	Current Incentive Rate	Recommended Rate	Recommended Incentive Rate
Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans	77%	Time Study: All Responses	15 Min	N/A		\$18.88	

TABLE 3: MI VIA CURRENT AND PROPOSED RATE RANGES

Service	Billable % Used	Billable Source	Unit	Current Min Rate	Current Max Rate	Recommended Min Rate	Recommended Max Rate
Behavioral Support Consultant	54%	Industry Standard	15 Min	\$12.24	\$20.65	\$20.97	\$29.57
Consultant Services	70%	Industry Standard	Monthly	\$313.93	\$313.93	\$385.36	\$385.36
Community Direct Support	64%	Time Study: Service Category 4	15 Min	\$1.88	\$15.48	\$10.59	\$15.48
Customized Community Group Supports	66%	Time Study: Service Category 3	15 Min	\$1.36	\$8.82	\$2.56	\$8.82
In Home Living Supports	89%	Time Study	Daily	\$25.04	\$150.26	\$29.69	\$181.38
Homemaker/Direct Supports	89%	Time Study	Hourly	\$7.50	\$14.60	\$7.50	\$14.60
Private Duty Nursing – Adults RN	65%	Industry Standard	15 Min	\$10.90	\$10.90	\$28.20	\$28.20
Respite Standard	93%	Time Study	15 Min	\$3.38	\$3.38	\$7.53	\$7.53
Occupational Therapy	56%	Time Study	15 Min	\$12.74	\$23.71	\$12.74	\$38.68
Physical Therapy	60%	Time Study	15 Min	\$13.51	\$24.22	\$13.51	\$47.25
Speech, Language Pathology	54%	Time Study	15 Min	\$16.06	\$24.22	\$16.06	\$46.35
Technology for Safety and Independence Purchase Agent	77%	Time Study: All Responses	15 Min Rate	N/A	N/A	\$8.89	\$18.88
Employer of Record	100%	Benchmark	15 Min Rate	N/A	N/A	\$6.31	\$9.29
Transportation Mile	N/A	N/A	Each	\$0.44	\$0.44	\$0.66	\$0.66
Assessment of, Developing, and Authorizing Person-Centered Enabling	77%	Time Study: All Responses	15 Min Rate	N/A	N/A	\$8.89	\$18.88



Service	Billable % Used	Billable Source	Unit	Current Min Rate	Current Max Rate	Recommended Min Rate	Recommended Max Rate
<b>Technology Integration Plans</b>							
Vendor/Call Center Remote Support	77%	Time Study	15 Min Rate	N/A	N/A	\$8.19	\$9.58

**TABLE 4: MEDICALLY FRAGILE CURRENT AND PROPOSED RATES**

Service	Billable % Used	Billable Source	Unit	Current Rate	Recommended Rate
Case Management Ongoing Medically Fragile	70%	Industry Standard	Monthly	\$581.94	\$635.51
Home Health Aide	79%	Time Study	Hourly	\$30.46	\$42.93
Respite Home Health Aide	79%	Time Study: Service Category 4	Hourly	\$30.46	\$42.93
Private Duty Nursing – RN	65%	Industry Standard	15 Min	\$24.36	\$28.20
RN Respite Services Medically Fragile	65%	Industry Standard	15 Min	\$24.36	\$28.20
Private Duty Nursing – LPN	65%	Industry Standard	15 Min	\$16.59	\$18.97
Respite – LPN	65%	Industry Standard	15 Min	\$16.59	\$18.97

The proposed rate recommendations of this report address the following:

- **Rate Calculations** to demonstrate how the rates in the tables above were developed;
- **Revised Individual Budgetary Allotments** for the Mi Via Program to allow for the proposed rate increases to occur without requiring a decline in service utilization afforded;
- **Fiscal Impact** of the Recommended Rate Calculations; and
- **Inflation/Cost of Living Adjustments** to support implementation of the rates in a given future year.

The proposed recommendations in the Programmatic Assessment component of this report address the following:

- **Service Definitions** to amend specific services for clarification and/or policy changes;
- **Value Based Payment and/or Wage Pass Through** can support DDSD’s efforts regarding quality of services for individuals;

- **Simplifying Service Codes** will reduce potential billing and data errors, simplifying the provider billing processes;
- **Method to Assess Quality** of Services also support DDSD's efforts to ensure and improve quality of services for individuals;
- **Assistive Technology/Technology for Safety and Independence** modifications to align with DDSD's vision and goals to increase access and use of technology; and
- **Employer of Record** study following implementation of service and recommended rate and unit of service and billing.

## II. INTRODUCTION

The New Mexico Department of Health (DOH), Developmental Disabilities Supports Division's (DDSD or the Division) mission is to effectively administer a system of person-centered community supports and services that promotes positive outcomes for all stakeholders with a primary focus of assisting individuals with intellectual and developmental disabilities (I/DD) and their families to exercise their right to make choices, grow, and contribute to their community. DDSD operates New Mexico's four 1915(c) Home and Community-Based Services (HCBS) Medicaid Waiver programs, including the Developmental Disabilities Waiver, the Medically Fragile Waiver, the Mi Via Self-Directed Waiver and the Supports Waiver.

New Mexico's operation of these Waivers is consistent with DDSD's vision for people with I/DD to live the lives they prefer in their communities. Within broad Federal guidelines, states may implement HCBS Waivers to meet the needs of people who prefer to get long-term services and supports in their home or community, rather than in an institutional setting. The HCBS Waivers allow states to waive certain Medicaid program requirements, such as being statewide, comparability of services, and income and resource rules applicable in the community.

The Developmental Disabilities Waiver offers services and support to adults and children with I/DD so that they may actively participate in their communities. The Mi Via Waiver allows for self-direction by participants within a community-based alternative to institutional care. The Medically Fragile Waiver is for individuals with both developmental disabilities and medically fragile conditions. Through case management and specialized services, the Medically Fragile Waiver allows individuals to receive care while remaining in their homes.

DDSD contracted with Public Consulting Group LLC (PCG) in September 2022 to lead an HCBS Rate Study and Provider Capacity Assessment. This report is specific to the Rate Study. In accordance with the scope of work, PCG conducted an independent rate study to recommend reimbursement rates for the provision of specific services.

PCG's recommendations include proposed rates for the specified services, with accompanying inflationary considerations and fiscal impacts. PCG's scope did not include all services for the three waivers and only those services with recommendations are included in the scope. The recommendations in the Programmatic Assessment section of the report were informed by policy research, interviews with I/DD and rate setting subject matter experts, and peer state research. Those recommendations can be found in the Programmatic Assessment section of this report. It is important to note that the Division has the authority to accept all, some, or none of the recommendations in this report.

## INDIVIDUALS, PROVIDERS, VENDORS, & SERVICES

In State Fiscal Year (SFY) 2022, 5,712 individuals received services through the three HCBS waivers included in this rate study, with total expenditures of approximately \$465.8 million. During that same fiscal period, 4,114 individuals received services through the Developmental Disabilities Waiver, 2,478 individuals received services through the Mi Via Waiver, and 226 individuals received services through the Medically Fragile Waiver. Within the scope of this study, there are 192 provider agencies who provide services to individuals within these three waivers, some of whom provide services for more than one waiver.

Like many states, New Mexico DDSD temporarily increased provider rates due to the American Rescue Plan Act (ARPA) funding. These ARPA increases were always intended to be temporary as shown in the timeline below in **Table 5**.

**TABLE 5. THE ARPA RATE INCREASES**

Increase (%)	Dates
15	April 1, 2021-March 31, 2022
10	April 1, 2022-March 31, 2023
5	April 1, 2023-March 31, 2024

The rates that this Report refers to as “Current Rates” are the rates providers and vendors were receiving prior to any ARPA temporary rate increases and will receive after any temporary ARPA rate increases expire on March 31, 2024. The “Current Rates” are shown in Tables 6 - 8 below.

**TABLE 6: DEVELOPMENTAL DISABILITIES WAIVER RATES PRIOR TO AND AFTER ANY ARPA TEMPORARY INCREASES**

Service	Unit	Current Rate	Current Incentive Rate
Behavioral Support Consultation	15 Minute	\$24.39	\$31.46
Case Management, On-Going	Monthly	\$314.35	
Customized Community Support, Individual	15 Minute	\$8.86	
Customized Community Support, Group Category 1	15 Minute	\$2.68	
Customized Community Support, Group Category 2 Extensive Supports	15 Minute	\$5.21	
Customized Community Support, Small Group	15 Minute	\$5.73	
Customized In-Home Supports, Living with Family or Natural Supports	15 Minute	\$7.99	
Customized In-Home Supports, Living Independently	15 Minute	\$7.99	
Family Living	Daily	\$152.96	
Supported Living Category 1 Basic Support	Daily	\$210.35	
Supported Living Category 2 Moderate Supports	Daily	\$258.69	
Supported Living Category 3 Extensive Supports	Daily	\$339.09	
Supported Living Category 4 Extraordinary Medical/Behavioral Support	Daily	\$435.81	
Adult Nursing Services, Registered Nurse (RN)	15 Minute	\$24.36	
Adult Nursing Services, Licensed Practical Nurse (LPN)	15 Minute	\$16.59	
Respite	15 Minute	\$4.82	
Occupational Therapy	15 Minute	\$34.93	\$44.54
Occupational Therapy Assistant	15 Minute	\$23.78	\$31.20
Physical Therapy	15 Minute	\$34.93	\$44.54
Physical Therapy Assistant	15 Minute	\$23.78	\$31.20
Speech, Language Pathology	15 Minute	\$34.93	\$44.54
Community Integrated Employment Job Maintenance	Monthly	\$951.66	
Assistive Tech Purchasing Agent	15 Minute	N/A	
Socialization and Sexuality Education	Each	\$354.00	\$708.00
Vendor/Call Center Remote Support	15 Minute	N/A	
Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans	15 Minute	N/A	

**TABLE 7: MI VIA WAIVER RATES PRIOR TO AND AFTER ANY ARPA TEMPORARY INCREASES**

Service	Unit	Current Min Rate	Current Max Rate
Behavioral Support Consultation	15 Minute	\$12.24	\$20.65
Consultant Services	Monthly	\$313.93	\$313.93
Community Direct Support	15 Minute	\$1.88	\$15.48
Customized Community Group Supports	15 Minute	\$1.36	\$8.82
In Home Living Supports	Daily	\$25.04	\$150.26
Homemaker/Direct Supports	Hourly	\$7.50	\$14.60
Private Duty Nursing – Adults RN	15 Minute	\$10.90	\$10.90
Respite Standard	15 Minute	\$3.38	\$3.38
Occupational Therapy	15 Minute	\$12.74	\$23.71
Physical Therapy	15 Minute	\$13.51	\$24.22
Speech/Language Pathology	15 Minute	\$16.06	\$24.22
Technology for Safety and Independence Purchase Agent	15 Minute	N/A	N/A
Employer of Record	15 Minute	N/A	N/A
Transportation Mile	Each	\$0.44	\$0.44
Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans	15 Minute	N/A	N/A
Vendor/Call Center Remote Support	15 Minute	N/A	N/A

**TABLE 8: MEDICALLY FRAGILE WAIVER RATES PRIOR TO AND AFTER ANY ARPA TEMPORARY INCREASES**

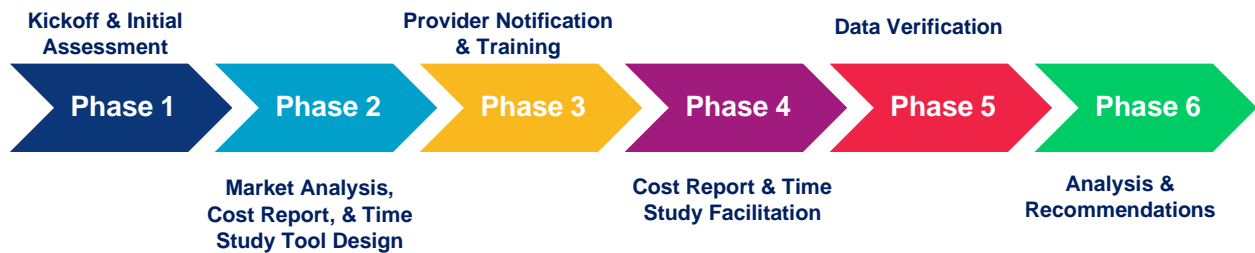
Service	Unit	Current Rate
Case Management Ongoing	Monthly	\$581.94
Home Health Aide	Hourly	\$30.46
Respite Home Health Aide	Hourly	\$30.46
Private Duty Nursing – RN	15 Minute	\$24.36
RN Respite Services	15 Minute	\$24.36
Private Duty Nursing – LPN	15 Minute	\$16.59
Respite – LPN	15 Minute	\$16.59

### III. RATE DEVELOPMENT

#### METHODOLOGY

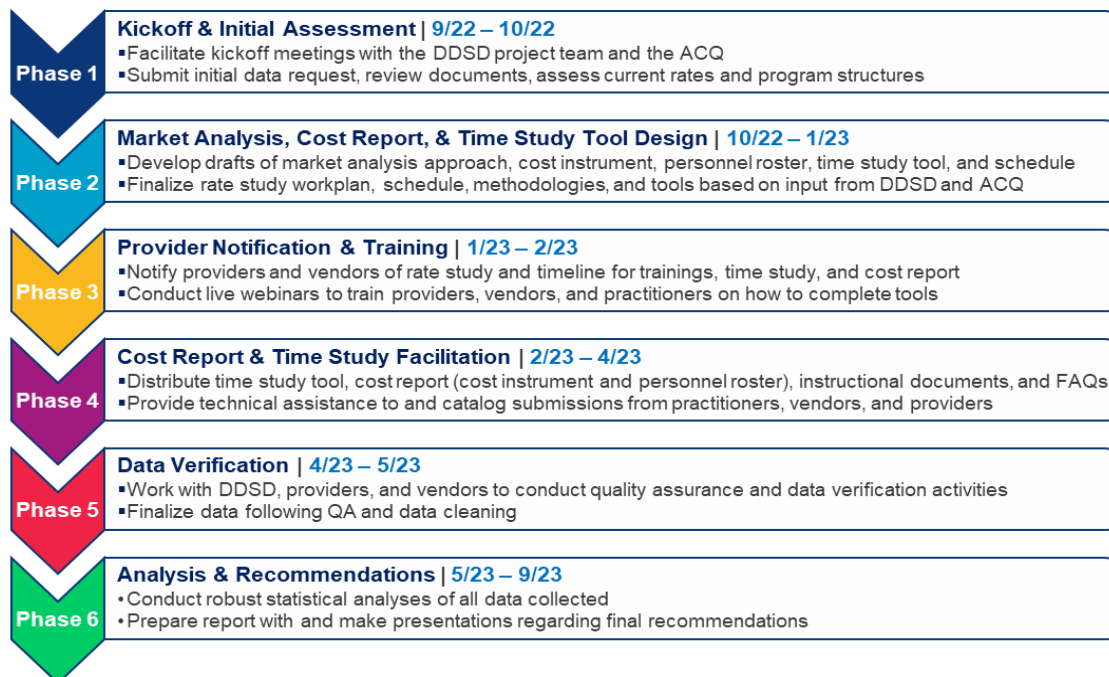
The approach for this engagement involved six phases.

FIGURE 2. 2022 DDSD HCBS WAIVERS RATE STUDY METHODOLOGY OVERVIEW



Tasks under each phase above were coordinated with Developmental Disabilities Supports Division (DDSD or the Division) and the Advisory Council on Quality Supports for Individuals with Developmental Disabilities and Their Families (ACQ), including the ACQ Rate Study Subcommittee, Home and Community-Based Services (HCBS) providers, vendors, and other staff as necessary. During the project, PCG conducted ongoing project management activities including regular check in meetings with DDSD staff, ongoing coordination of the cost reporting and time study process, quality assurance activities, and conducting follow up as necessary. In addition, PCG held meetings with the ACQ and other target stakeholder groups, who provided input on the methodology and assumptions. The figure below depicts specific tasks completed under each phase.

FIGURE 3. 2022 DDSD HCBS WAIVERS RATE STUDY PROJECT PLAN & TIMELINE



The rate study methodology centered on three primary components (with stakeholder engagement woven throughout), including **market salary research**, a **cost report** (comprised of a cost instrument and a personnel roster) for providers and vendors, and a **time study** for provider staff. Tools and approaches specific to home and community based intellectual and developmental disabilities (I/DD) services in New Mexico and informed by HCBS Waiver program stakeholders were developed for each of these during Phase 2 of the project.

Phase 6 in **Figure 3** reflects a September 2023 end date because PCG is also developing a Provider Capacity Assessment Report, a separate deliverable, which will be finalized in September.

## ***Stakeholder Engagement***

Stakeholder engagement was a central component of PCG's approach to help ensure the collection and analysis of comprehensive and accurate data and the development of sound, informed recommendations. To that end, PCG has maintained regular communication with DDS and other system stakeholders (e.g., providers, vendors) throughout this engagement. A project team comprised of representatives from DDS and PCG met and communicated regularly to lead the project. PCG also met with the Advisory Council on Quality Supports for Individuals with Developmental Disabilities and Their Families (ACQ) Subcommittee and representatives from the Human Services Department/Medical Assistance Division periodically throughout the project period, with the group of providers, vendors, and other system stakeholders serving as an advisory group providing input into the goals, methodologies, tools, analysis of the data, and final recommendations.

The ACQ subcommittee is comprised of the following individuals and/or groups:

- four parent representatives
- four participant representatives
- three ACQ representatives
- three Association of Developmental Disabilities Community Providers (ADDCP) representatives
- three non-ADDCP provider representatives
- three Therapy Network (one speech therapist, one physical therapist and one occupational therapist representatives
- one Case Managers Action and Advocacy Council representative
- one Mi Via In-Home Living Supports vendor representative
- two Mi Via Consultant Association representatives
- two Nurse representatives
- one Behavioral Health Association representative
- three Direct Support Staff Organizations/Advocacy Organizations representatives

A brief description of each component of the rate study is included here, with the detailed findings from the analyses of the collected data outlined in subsequent sections.

## ***Time Study Approach***

All provider agencies that provide the 1915(c) HCBS waiver services included in the rate study were invited to participate in the time study. PCG implemented a time study to measure the amount of time providers spent performing direct service and administrative activities for the HCBS programs. PCG used these findings to align expenses with services delivered. PCG collected data using two tools, a 15-minute



increment tool and a 60-minute increment tool. Data was then sorted by service category using the reported services, as follows:

- ❖ Service Category 1 Services
  - Case Management
  - Consultant
- ❖ Service Category 2 Services
  - Nursing
  - Therapies
  - Behavioral Support Consultation
  - Socialization and Sexuality Education
- ❖ Service Category 3 Services
  - Customized Community Group Supports
  - Community Integrated Employment
- ❖ Service Category 4 Services
  - Customized Community Supports- Individual
- ❖ Service Category 5 Services
  - Family Living
  - In-Home Supports
  - Supported Living
  - Respite

Our approach streamlined the previous 2018 rate study approach by reducing the number of data collection tools from five to two. Participants captured their time using a DDSD-specific, Excel-based Time Study Tool developed by PCG. The Time Study Tool classified providers' activities as either Direct Services (billable functions) or Indirect/Other Activities (non-billable). Direct Services data elements included Service Type, Service Activity, and Service Location. The time study captured all work completed for 14 days, between February 20, 2023, and March 12, 2023, with a submission date of March 17, 2023. PCG received a total of 1,452 time study tools.

The time study allows DDSD to quantify the portion of staff time allocated to the three waiver services. The results are used to identify the time and effort associated with service delivery. This allowed PCG to understand the time spent by various staff performing services and other unbillable activities and how those times aligned with associated expenses. Staff who completed the time studies were also expected to be included in the program's submitted personnel roster to capture individual compensation data. Note that these data were not used as an evaluation of provider effectiveness or compliance.

### ***Cost Study Approach***

Similar to the time studies, all HCBS provider agencies that provide services included in the rate study were invited to complete a cost report and personnel roster during this engagement. To align the current studies approach with the 2018 study, PCG maintained the previous cost study tools and approach but updated each to the current project's services. PCG conducted live trainings, which were recorded and distributed along with several reference resources for providers to assist in completing the tools. Cost studies were submitted to PCG by April 7, 2023 and PCG received 33 cost study tools.

PCG developed the cost study as an Excel-based workbook consisting of two tabs, a personnel roster and a cost report. The personnel roster allowed PCG to identify personnel-related expenses by employee as well as the portion of personnel expenses allocated to the delivery of services. The cost report allowed PCG to identify revenue, personnel expenses, and other expenses associated with providing HCBS waiver

services within State Fiscal Year (SFY) 2022. Both tabs included calculations which summed totals for the cost study participants.

One calculation within the personnel roster summed the percentage of staff time relative to a standard full-time equivalency of 2,080 hours. Due to the large number of staff with time significantly less than or significantly greater than the standard 2,080 hours, the calculation did not equal 100 percent. However, the calculation did not impact the analysis of the data nor the outcomes.

As part of the verification process, PCG reviewed provider-supplied supporting documentation submitted with these workbooks to validate the data and determine if it could be included in the analysis. Though PCG reviewed each of the cost reports and personnel rosters submitted for accuracy, completeness, and reasonableness, there still may be discrepancies in data since supporting documentation was not always available. The following table provides an overview of the elements captured in both workbooks.

**TABLE 9: DATA ELEMENTS CAPTURED BY COST REPORT AND PERSONNEL ROSTER**

Cost Report*	Personnel Roster
<ul style="list-style-type: none"> <li>• Provider name, tax status and contact general information</li> <li>• Program revenue</li> <li>• Aggregate average paid time off allocated for all staff</li> <li>• Comprehensive expenses other than personnel, e.g., mileage, insurance, facilities, other taxes, etc.</li> <li>• An attestation from the provider claiming that the results provided were complete and accurate</li> </ul>	<ul style="list-style-type: none"> <li>• Provider name and tax status</li> <li>• Names, title, profession, and employee/subcontractor status of all personnel</li> <li>• Total salaries, taxes, and fringe benefits paid for each staff member</li> <li>• Total hours worked by staff annually and the percentage of that time dedicated to the HCBS program</li> <li>• Administrative staff data reflecting the above</li> </ul>

*\*Please note the cost report requested both total program information in all activities an agency may conduct as well as specific information regarding their HCBS program activities.*

### Quality Assurance (QA) Process

PCG employed comprehensive QA processes and controls for time study and cost study submissions to ensure provider submissions and all corresponding data and analyses were complete and accurate. The QA began within provider agencies and continued through PCG’s data collection and analyses. Each participant was asked to review their tools for accuracy before signing the attestation and submitting them to PCG. Once received by PCG, all submissions went through review plus a final signoff in a multi-tiered QA process.

A critical component of the QA process involved provider follow up. Reviewers emailed a summary of QA findings and questions to agencies to acquire additional information/clarification following the signoff. Ultimately, the clarifying information and resubmissions obtained from the follow up with providers were used to either supplement or replace the original submissions, where appropriate, and some data was omitted/excluded during QA/data cleaning due to incomplete and/or inaccurate data. Overall, 1,226 of 1,452 (84%) time study tools were included in the analysis, as well as 31 of 33 (94%) of cost study tools.

### Market Salary Research

The first step in calculating rates is to determine the salary per hour of those providing the service. In addition to the cost report, which collected salary information of providers of services in this scope, PCG

conducted market research of professions identified within the HCBS service definitions and standards for those services within the scope of the study. PCG used data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS), Occupational Employment and Wage Statistics (OEWS) program, which produces employment and wage estimates for occupations across the country.

The OEWS program is the only comprehensive source of regularly produced occupational employment and wage rate information for the U.S. economy, as well as states, the District of Columbia, and all metropolitan and nonmetropolitan areas in each state. OEWS is frequently cited as the most popular labor market information program within the states. The data included in this report pull from the May 2021 OEWS data, which were released on March 31, 2022, and includes information about 2018-2021 salary and wages for the nation and states.

The identified BLS market rate salaries were assessed and used in the rate development process to help ensure that the rate calculations were reasonable in relation to market realities. Purely cost-based rates may propagate rate deficiencies because existing provider payment structures often dictate the salaries that providers can afford to pay personnel. For example, a provider may lose key personnel because it can only afford to pay HCBS personnel what the existing rate structure will allow. In this example, that provider's cost report and roster may reflect salaries that do not reflect the market.

Based on these considerations, PCG conducted market research of each discipline in the HCBS program within scope and incorporated the market salaries into the rate methodology described in this document by using BLS wages where those wages were higher or where reported wages could not be used.

Please refer to **Appendix A: HCBS Discipline and BLS Proxy Position** for the HCBS Disciplines and the BLS Proxy Positions PCG used to compare reported wages against national data, as informed by conversations with DDS as well as waiver definitions and qualifications for each service. Appendices **B – D** show which position is used in which rate build up.

Some of the HCBS disciplines did not match directly to job titles in the BLS data. For these disciplines, the stakeholder group helped determine the most appropriate job title(s) from the BLS data to use as a proxy. Where there are multiple BLS Position/ Professions listed, we used the average wage across those positions. **Appendix A** is not a comprehensive list of all disciplines represented in HCBS, rather it is a list of all disciplines within the scope of this study.

To maintain consistency with the previous 2018 rate study, the BLS data used as a benchmark was the regional BLS wages, which includes the states of Texas, Arizona, Colorado, and New Mexico.

## **Qualitative Research**

PCG conducted the qualitative research described below to ensure that the rate development process described above was tailored specifically to New Mexico:

- Consultation with DDS – PCG conducted research into laws enacted in NM, impacting rates including New Mexico minimum wage laws and ordinances, as well as HB 395 (“DEV. DISABILITY SUPPORT PROVIDER EMPLOYEES”) and the state’s Healthy Workforce Act.
- Review of New Mexico’s Developmental Disabilities, Mi Via and Medically Fragile service standards, fee schedules, and Centers for Medicare & Medicaid Services’ Application for a 1915 (c) Home and Community-Based Waiver Instructions, Technical Guide and Review Criteria. PCG also conducted peer state research by reviewing states’ waivers and fee schedules. Information gained from the research was used to help inform PCG’s recommendations. Please note, each states’ waivers are different and policy requirements differ from state to state and within states.

Therefore, information obtained from this research was not used to guide PCG's recommendations for rate changes.

- Completion of targeted stakeholder engagement to Mi Via employees and vendors in the form of a Mi Via survey (see Appendix G: Mi Via Waiver Survey Questions). PCG developed this survey in conjunction with feedback received from DDSD. The survey included 13 questions and was sent to all Mi Via employees and vendors between April 30, 2023, to May 30, 2023.

## FINDINGS

The following section includes all the components that were used to develop the rates within the scope of this study. Each component will contain a short description of the process used and the top-level findings that inform the rate development either directly as with the billable/unbillable percentages, or indirectly like the qualitative findings.

### *Time Study Results*

Following completion of the quality assurance and data cleaning processes, 1,226 of the 1,452 (84%) collected time study tools were included in the findings from the analyses. In total, 31 of New Mexico's 33 counties (94%) were represented in the time study.

The time study tools asked respondents to categorize their time spent working as either billable or unbillable as outlined in New Mexico regulations and DDSD Standards. In most cases, billable time is based on face-to-face contact with the recipient of a service (i.e., direct services). Other activities which are integral to service delivery, but that do not occur face-to-face, such as travel to/from an individual's home, preparation time, and report writing, are also factored into reimbursement rates. The billable percentages (time spent providing direct services) captured by the time study are used in the rate build-up methodologies to make adjustments which ensure the rates account for the non-billable time and expenses in the billable unit PCG develops.

Profession-specific billable percentages are used in PCG's rate calculations, where consistent with best practices. When position-specific billable percentages do not align with best practices, service category total percentages or industry standards are used for the billable factor. The following figures detail the percentage of billable time associated with each profession and with each service category. The Rate Methodology Section will detail which percentage is used for each service and rate.

FIGURE 4. SERVICE CATEGORY 1 BILLABLE AND UNBILLABLE PERCENTAGES BY PROFESSION

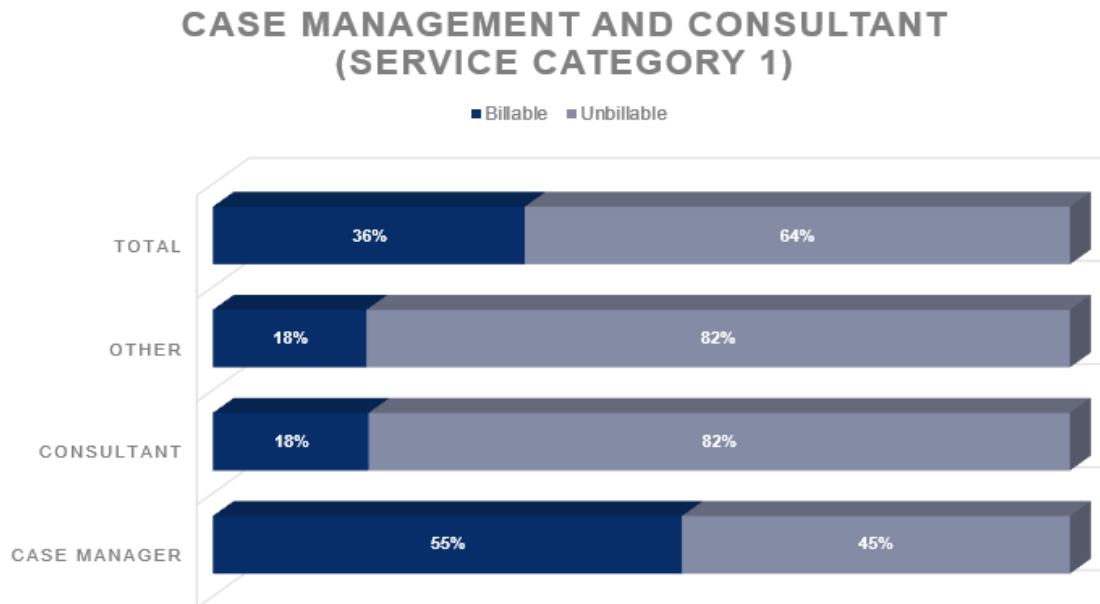
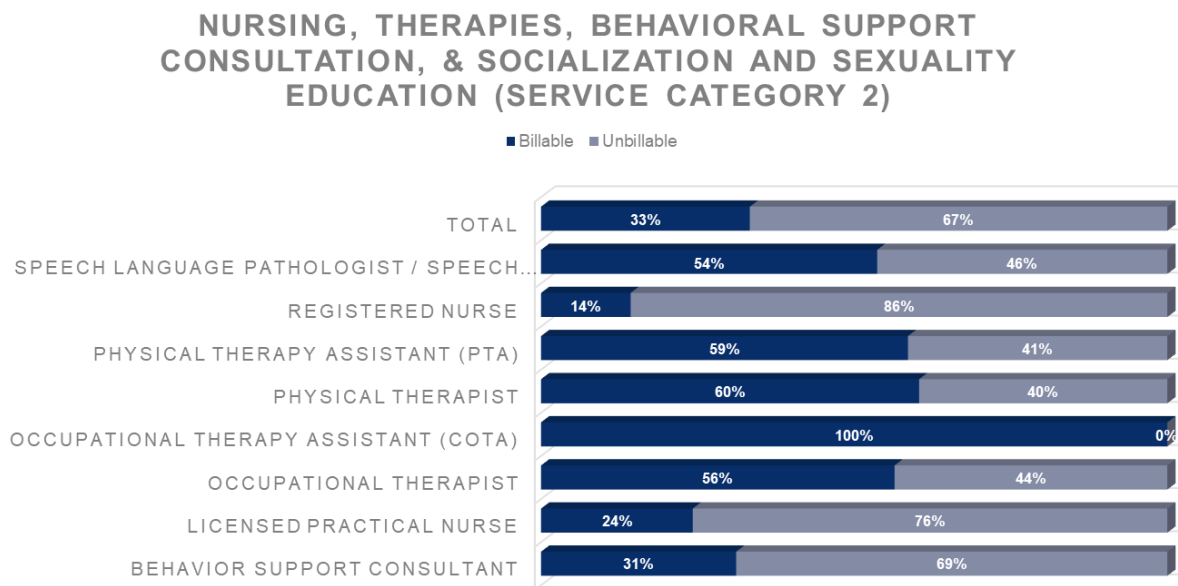
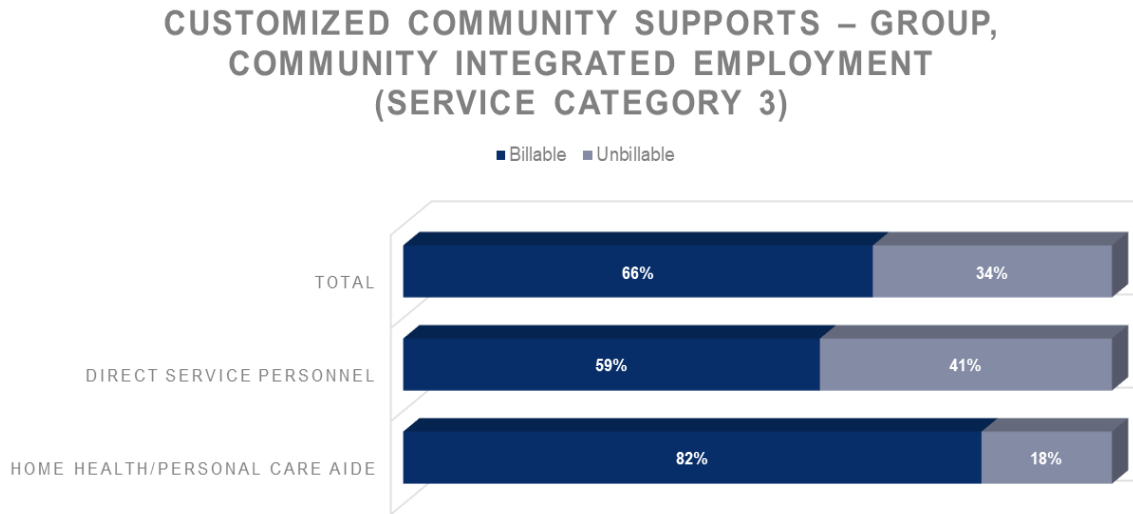


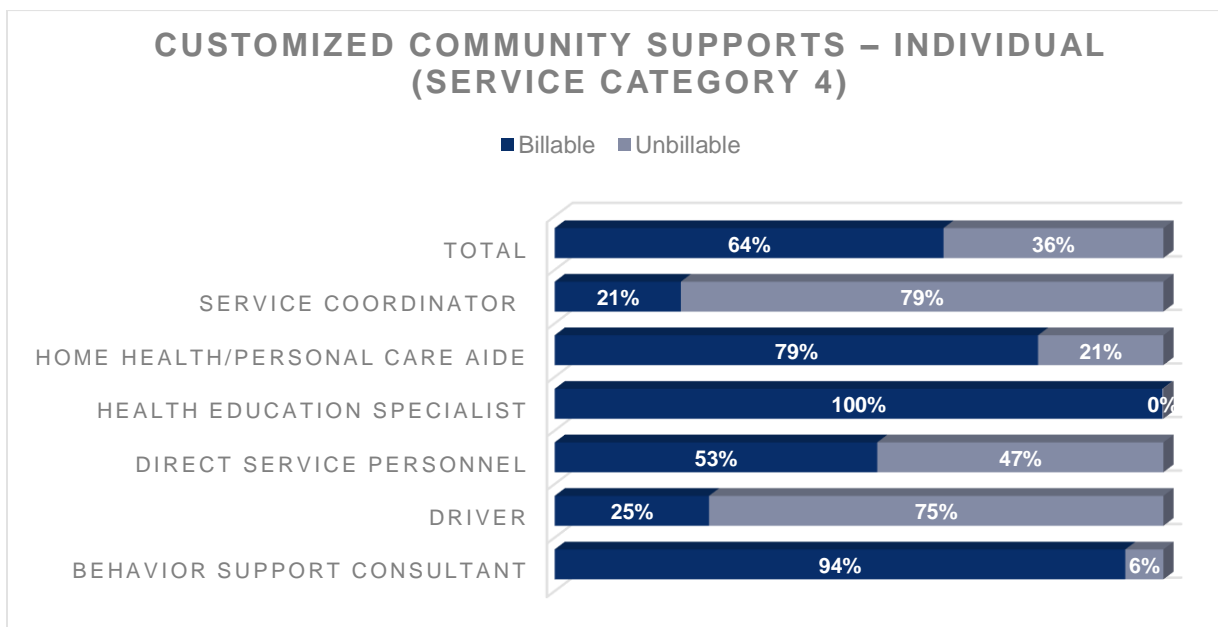
FIGURE 5. SERVICE CATEGORY 2 BILLABLE AND UNBILLABLE PERCENTAGES BY PROFESSION



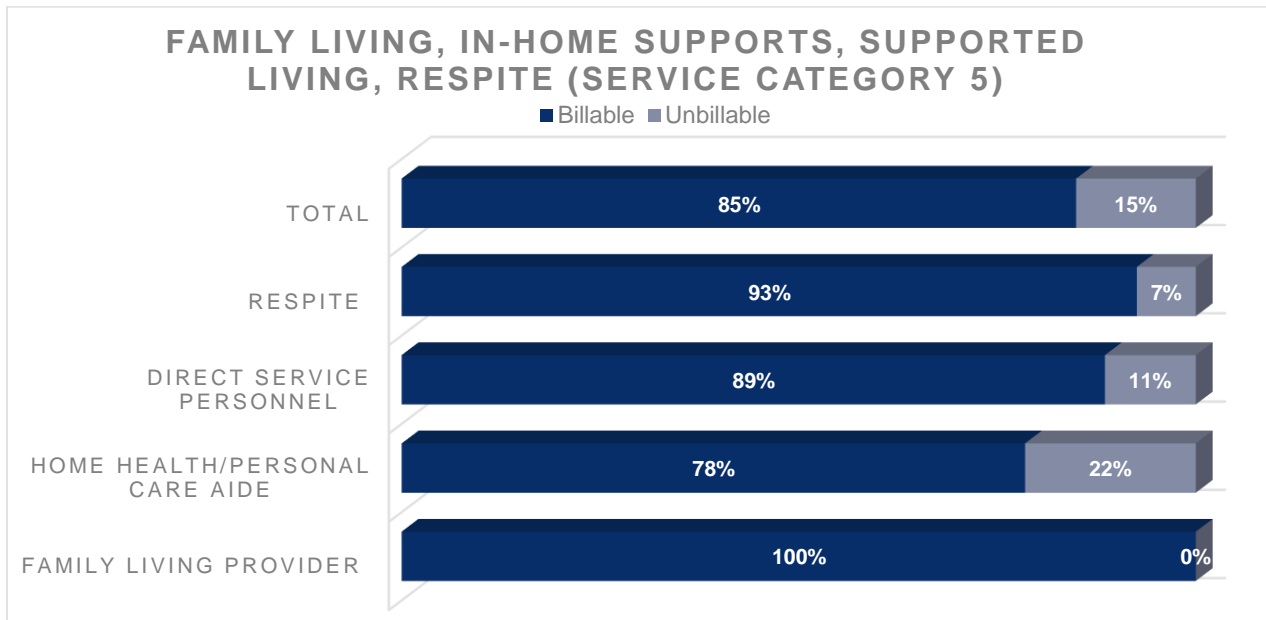
**FIGURE 6. SERVICE CATEGORY 3 BILLABLE AND UNBILLABLE PERCENTAGES BY PROFESSION**



**FIGURE 7. SERVICE CATEGORY 4 BILLABLE AND UNBILLABLE PERCENTAGES BY PROFESSION**



**FIGURE 8. SERVICE CATEGORY 5 BILLABLE AND UNBILLABLE PERCENTAGES BY PROFESSION**



For reference, **Table 10** shows the total percentage of time by service category for billable activity for the current study (2022) and the previous study (2018). In addition, **Table 11** shows the total percentage of time spent on unbillable activities. The time study captured an overall unbillable activity percentage of 25%.

**TABLE 10: PERCENTAGE OF BILLABLE TIME PER SERVICE CATEGORY**

Service Category	Billable %	
	2018 Results	2023 Results
<b>1 – Case management, Consultant</b>	57%	36%
<b>2 – Nursing, Therapies, Behavioral Support Consultation, Socialization &amp; Sexuality Education</b>	52%	33%
<b>3 – Customized Community Group Supports and Community Integrated Employment</b>	65%	66%
<b>4 – Customized community supports – individual</b>	68%	64%
<b>5 – Family Living, In-Home Supports, Supported Living, Respite</b>	85%	85%

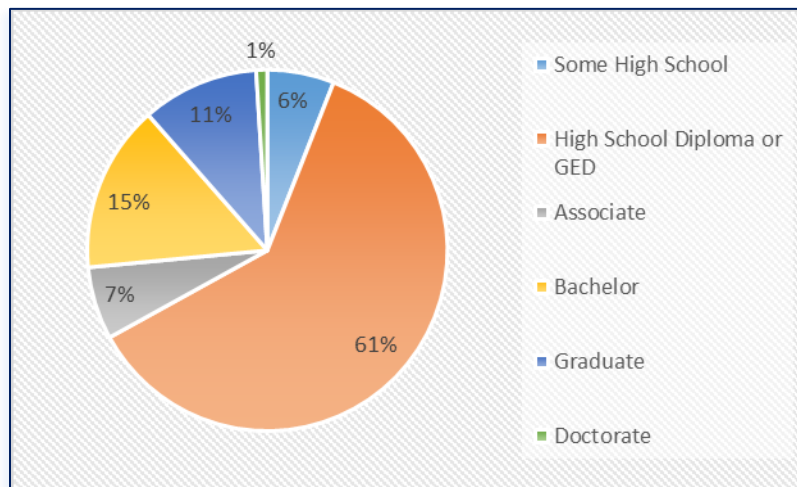
**TABLE 11: PERCENTAGE OF TIME PER UNBILLABLE ACTIVITY**

Activity	% of Total Unbillable Time
Billing/Invoicing	2%
Employee Training & Professional Development	4%
Lunch/Breaks	1%
Meeting – NM DOH	0%
Meeting – Other Agencies	1%
Meeting – Program Administration	1%
Meeting – Staff, General	2%
Missed Appointment	0%
Preparation Activities	9%
Paid Time Off (PTO)	4%
Report Writing/Progress Notes	24%
Supervision-Related Activities	10%
Travel – Other	7%
Travel – To & From Sessions	6%
Unpaid Time Off	31%
<b>Total</b>	<b>25%</b>

**Staff Experience and Educational Attainment**

The average HCBS provider who participated in the time study has 14.4 years of work experience and 10.6 years of direct HCBS work experience. Approximately 1 out of every 3 (33%) HCBS provider has a college degree (associate’s, bachelor’s, master’s, or doctoral degree). The majority (61%) of the participants have a high school diploma or GED. **Figure 9** details the highest educational attainment of the direct service providers as indicated in the time study.

**FIGURE 9. HIGHEST EDUCATIONAL ATTAINMENT OF HCBS DIRECT SERVICE PROVIDERS**



**Cost Study Results**

PCG received cost reports from 33 HCBS provider agencies and used the collected data to analyze revenue and expenses across the provider community. For some of its analyses, PCG grouped provider agencies based on their tax status.



## Revenue

PCG used aggregated revenue across the entire system to determine the overall breakdown of revenue streams. DDS Provider Agreement payments accounted for the majority (88%) of providers' revenue, while other Medicaid and federal funding accounted for 10 percent of revenues. Other revenue streams, such as grants or in-kind contributions, accounted for the remaining 2 percent of revenues. Similar revenue breakdowns are seen among the three waivers as detailed in **Table 12**.

PCG collected revenue related to American Rescue Plan Act (ARPA) separately on the cost tool and removed it from these results to analyze what revenue would look like absent ARPA. Therefore, the federal funding included here excludes ARPA funding. Enhanced ARPA funds were temporarily available during the study period (SFY22) and will not be on-going.

**TABLE 12: TOTAL PROVIDER REVENUE BY REVENUE SOURCE AND WAIVER**

Revenue Source	Developmental Disabilities	Medically Fragile	Mi Via	HCBS Total
DDS Provider Agreement	82%	98%	85%	88%
Medicaid	10%	0%	4%	5%
Other State Agency	2%	0%	0%	1%
Federal Funds	2%	2%	10%	5%
Other (Grants, Donations, In-Kind)	4%	0%	0%	1%

## Expenses

The cost report captured personnel (salaries, taxes, fringe benefits, independent contractors) and non-personnel (administrative cost allocation, rent/mortgage, supplies & equipment, travel, etc.) expenses from participating providers. **Table 13** below demonstrates that personnel costs comprised more than four-fifths (81%) of providers' overall expenses, with non-personnel costs comprising the remaining 19 percent. Of the personnel expenses, the largest cost subcategory was direct service employee salaries and benefits (47% of total expenses), followed by direct service independent contractor payments (22%), and finally administrative salaries and benefits (12%). For the non-personnel expenses, the largest defined subcategories were administrative cost allocation, occupancy, and utilities and insurance with 3 percent each of total expenses. Occupancy includes rent or mortgage, maintenance, utilities, and other similar costs.

Please note the line item for supplies and equipment in the table below includes expenses for Covid-related supplies and these are included in our rate methodology. The aggregate total for Covid-related supplies is 0.34 percent of the aggregate non-personnel costs and 0.06 percent of the aggregate total.

**TABLE 13: TOTAL PROVIDER EXPENSES – PERSONNEL AND NON-PERSONNEL COSTS**

Expense Category	Percent of Total
<b>Aggregate Personnel – \$86,931,854</b>	<b>81%</b>
<i>Direct Service Employee</i>	47%
<i>Administrative &amp; Support Employee</i>	12%
<i>Direct Service Independent Contractor</i>	22%
<b>Aggregate Non-Personnel – \$20,426,243</b>	<b>19%</b>
<i>Administrative Cost Allocation</i>	3%
<i>Occupancy</i>	3%
<i>Utilities &amp; Insurance</i>	3%
<i>Advertising &amp; Public Events</i>	0%
<i>Supplies &amp; Equipment</i>	1%
<i>Travel &amp; Staff Mileage</i>	1%
<i>Background Checks</i>	0%
<i>Translation/Interpretation Services, Assistive Technology, &amp; Telehealth</i>	0%
<i>Professional Services</i>	1%
<i>Training &amp; Professional Development</i>	0%
<i>Other Expenses</i>	7%
<b>Aggregate Total – \$107,358,097</b>	<b>100%</b>

*Note: Items at 0% in the table above are greater than 0% and less than 1%.*

*Note: The “Other Expenses” line-item includes the Gross Receipts Tax reported by participating agencies. GRT is included w/in admin costs for the rate build-up models and, therefore, also included in the fiscal impact projections.*

## Solvency

As a measure of system health, PCG examined total revenue in relation to total expenses for all participating HCBS provider agencies. Of the 31 agencies included in the cost report analysis, 23 agencies (74%) show a surplus, four (13%) showed running a deficit, and the remaining four (13%) were virtually at the breakeven point.

The provider agencies operating with a surplus have, on average, a 13% overage, while those operating with a deficit have a -1% shortage on average, signifying a broad range of financial health outlooks across New Mexico’s HCBS system. When assessing the solvency of nonprofit and for-profit providers, these tax statuses show similar surpluses and deficits. **Table 14** illustrates revenues and expenses by IRS tax status.

**TABLE 14: REVENUE AND EXPENSES BY IRS TAX STATUS**

	Total <i>n</i>	Surplus <i>n</i>	Total Revenue	Total Expenses	Surplus (Deficit) \$	Surplus (Deficit) %
For-Profit	18	14	\$ 79,319,866	\$ 68,778,859	\$ 10,541,007	13%
Non-Profit	11	7	\$ 36,270,294	\$ 36,727,562	\$ (457,268)	(1)%
Government	2	2	\$ 1,869,696	\$ 1,851,676	\$ 18,020	1%
<b>Total</b>	<b>31</b>	<b>23</b>	<b>\$ 117,459,856</b>	<b>\$ 107,358,097</b>	<b>\$ 10,101,759</b>	<b>1%</b>

## Salaries and Fringe

Personnel rosters were submitted to PCG by **33** provider agencies with data regarding **3,192** employees and contractors. Thirty-one provider agencies (94% of submissions) and 3,099 employees and contractors (97% of submissions) were included in the analysis. The rosters were key in developing the reported average salaries used in the Market Analysis, as they isolated the number of hours and amount paid to individual personnel. This allowed PCG to calculate hourly and annual wages for staff regardless of their tenure with the agency.

Due to the variance of total hours worked throughout the year and salaries reported, each provider's annualized salary was converted to an hourly rate to allow for better comparison. Average reported annual wages for the 17 disciplines included in the study may be found within **Table 18**.

The data from the personnel roster was also central to determining the tax and fringe rate for the cost study. In addition to the number of hours and wages paid to individual personnel, the rosters also captured the amount of fringe paid to each reported employee (for whom fringe was paid in SFY 2022). The average reported tax and fringe was 22.40 percent.

## Full-Time Equivalents

For each staff person listed within the personnel roster, their total hours were also included. PCG used these total hours to determine the number of Full-Time Equivalents (FTEs) utilized in HCBS programs, both by direct service vs. administrative staff and by employees vs. independent contractors. Most of the direct service staff are agency employees (49%), with 31 percent being independent contractors. Nearly all administrative staff hold employee status as well; only 2.95 Admin FTE (1%) were reported as being an independent contractor.

The cost instrument captured direct service vacancies indicated by participating providers. About 1 out of 4 providers (26%) indicated at least one direct service vacancy at their agency in SFY22. Overall, 146.55 of total direct service FTEs (7%) were indicated to be vacant.

**Table 15** below details the FTEs of all HCBS staff identified in the personnel rosters and direct service vacancies indicated in the cost instruments, including the allocation of FTEs by staff type across all participating provider agencies (% Overall FTE) and the proportion of provider agencies which utilize each type of FTE (Provider Utilization %).

**TABLE 15: HCBS FULL-TIME EQUIVALENTS AND VACANCIES**

Full-Time Equivalents – ALL Providers	Total	% Overall FTE	Provider Utilization %
Direct Service FTEs	994.34	49%	45%
Admin FTEs	385.44	19%	17%
Independent Contractor Direct Service FTEs	627.31	31%	37%
Independent Contractor Admin FTEs	2.95	1%	1%
<b>Total FTEs</b>	<b>2,010.04</b>	<b>100%</b>	<b>100%</b>
Direct Service Vacancies	146.55	7%	26%
<b>Total FTEs + Vacancies</b>	<b>2,156.59</b>	<b>100%</b>	<b>100%</b>

## Paid Non-Working Days

The cost instrument captured each provider's paid non-working time, where applicable. PCG combined reported holidays (federal, postal, etc.), vacation days (PTO if combined), and sick days (if separate) into Total Paid Non-Working Days. Twenty-one of 31 providers (68%) indicated paid non-working days are offered with an average of 38.5 days annually. Of the remaining 10 providers, seven (23%) have a workforce composed entirely of independent contractors which do not typically receive paid non-working

days nor other benefits. Three providers (9%) have a workforce composed of employees and zero independent contractors. These providers indicated they do not provide this benefit.

**Table 16** shows the average paid time off for one person annually across the provider workforce. The average excludes the three providers with zero paid non-working days. **Table 17** includes the same information plus paid training to calculate the average paid non-working days for one person annually.

**TABLE 16: AVERAGE PAID TIME OFF**

Paid Time Off	# Days
Holidays (Federal, Postal, etc.)	13.4
Vacation Days (Or PTO if they are combined)	15.9
Sick Days (if separate from Vacation)	9.2
<b>Total Paid Time Off for One Person Annually</b>	<b>38.5</b>

**TABLE 17: AVERAGE PAID NON-WORKING DAYS**

Paid Non-Working Days	# Days
Paid Training	8.3
Paid Non-Working Days	38.5
<b>Total Paid Non-Working Days for One Person Annually</b>	<b>46.8</b>

## Market Salary Results

**Table 18** compares the BLS Regional Annual Salary and the Personnel Roster reported salary collected and analyzed during the rate study. In some instances, PCG did **not** receive personnel roster data for certain disciplines. This is indicated as “N/A” in the following table.

Please note this table excludes independent contractors from the provider reported average yearly salary. This allows an accurate comparison to BLS data, which is also based upon employee data.

As described in the Rate Methodology, PCG used the higher of the BLS wages or the reported wages in the rate build ups except where noted otherwise due to low employee count or outliers. For Home Health Personal Care Aide, rate build-ups use \$14.03 (Santa Fe minimum wage) as the BLS wage was lower.

**TABLE 18: MARKET RATE AND REPORTED SALARY BY DISCIPLINE**

Profession	BLS Regional Avg Blended Mean	Provider Reported Avg Yearly Salary	Variance from Reported Salaries	Variance (%)
Behavior Support Consultant	\$ 86,181 ****	\$ 97,881	\$ (15,998)	(16)
Case Manager	\$ 51,657 ****	\$ 56,275	\$ (2,590)	(5)
Community Direct Support	\$ 35,582	\$ 33,766	\$ 1,823	5
Consultant	\$ 51,657	\$ 49,774	\$ 3,911	8
Customer Service Support	\$ 37,544		N/A **	
Direct Care Staff	\$ 35,582	\$ 29,162	\$6,427	22

Profession	BLS Regional Avg Blended Mean	Provider Reported Avg Yearly Salary	Variance from Reported Salaries	Variance (%)
Employer of Record/HR Specialist	\$ 67,122		N/A **	
Employment Specialist	\$ 42,952		N/A **	
Family Living Provider	\$ 35,582	N/A *		
Home Health/Personal Care Aide	\$ 27,331	\$29,182***	\$(1,854)	(7)
Licensed Practical Nurse	\$ 54,870	\$ 42,402	\$ 12,458	29
Occupational Therapist	\$ 93,725	\$ 89,519	\$ 4,211	5
Occupational Therapy Assistant	\$ 65,062 ****	\$ 87,440	\$(22,383)	(26)
Nurse Manager	\$ 86,694		N/A **	
Physical Therapist	\$ 95,035	\$ 111,342	\$(16,312)	(15)
Physical Therapy Assistant	\$ 59,717 ****	\$ 90,730	\$(31,018)	(34)
Purchasing Agent/Tech Assessment	\$ 58,032	\$ 78,146	\$(20,114)	(26)
Registered Nurse	\$ 79,747	\$ 82,612	\$(2,865)	(3)
Respite Provider	\$ 33,488	N/A *		
Speech Language Pathologist	\$ 86,091	\$ 100,366	\$(14,280)	(14)
Socialization and Sexuality Educator	\$ 61,714		N/A **	

\* No employee salary figures due to profession showing as independent contractors within cost report.

\*\* No employee salary figures due to profession not being selected within cost report

\*\*\*Report salary reflects Santa Fe Minimum Wage.

\*\*\*\*BLS used in rate methodology due to low employee count in submissions.

## Qualitative Findings

In addition to the time study, cost report, and market analysis, PCG also reviewed and considered other New Mexico specific information and data sources.

### Minimum Wage

The New Mexico Minimum Wage increased on January 1, 2023, to \$12.00 per hour. However, the Santa Fe Minimum Wage increased on March 1, 2023, to \$14.03 per hour.

- DDSD decided to use the higher minimum wage rate of \$14.03 statewide.

## **Healthy Workplaces Act**

Healthy Workplaces Act (HWA) requires employers in New Mexico to allow employees to accrue and use a benefit called earned sick leave, at a rate of one hour of earned sick leave for every 30 hours worked or 3.33%. The HWA allows PTO to be counted towards this if it can be used for the same purpose.

- In this study, providers reported PTO and Sick time at 1.97%, which is 1.36% below the required 3.33%. PCG therefore adjusted the Fringe Rate upwards by 1.36%.

Ensuring compliance with labor laws is not the responsibility of DDSD, however, ensuring adequate reimbursement for the cost of HCBS service delivery falls under their purview. DDSD has the responsibility to ensure rates for HCBS encompass minimum wage and paid leave requirements. DDSD does not have the responsibility to ensure providers follow labor laws.

## **New Mexico HB 395 “DEV. DISABILITY SUPPORT PROVIDER EMPLOYEES”**

This legislation enacted in calendar year 2023 states that among other requirements, “Beginning in 2024, contingent on available funding, the department shall conduct an independent biennial cost study for the purpose of recommending reimbursement rates for all service providers. The cost study shall include all reasonable costs of providing services. Recommended reimbursement rates, based on the cost study, shall include consideration of the following factors: (1) the additional costs that would be incurred by the direct support provider agency if all direct support professionals were paid at least one hundred fifty percent of the state minimum wage...”

- While the law does not require this assumption be used in this rate study, PCG and DDSD included rates that do include this assumption for informational purposes in Appendix F: HB 395 Minimum Wage Considerations.

## **Mi Via Waiver Survey**

Although Mi Via rates are based on comparable Developmental Disability Waiver rates, some Mi Via Waiver rates have a range of rates intended to be negotiated between the participant and the employee or vendor agency. The Mi Via Waiver survey was intended to provide context from Mi Via Waiver employees and vendors about service delivery to help inform rate range recommendations.

PCG received 272 responses to the Mi Via Waiver survey (see **Appendix G: Mi Via Waiver Survey Questions**). The survey responses appeared to be representative in key variables. For example, 30 of 34 New Mexico counties were represented. There were no survey responses specific to Catron, De Baca, Luna, or Quay Counties. The largest percentage of responses were from Bernalillo County (36%), Sandoval County (9%), and Valencia County (6%). Most respondents reported working in only one county. Eight percent reported working in more than one county and of those, four percent indicated that they were working statewide. In addition, all services except Private Duty Nursing and Assistive Technology Purchasing Agent were represented. The largest percentage of respondents indicated providing In Home Living Supports (38%), Community Direct Support (27%) and Homemaker/Direct Supports (15%). Some of the key findings are summarized below:

- 1. Mi Via Waiver rate ranges allow for rate negotiation by the participant as intended. However, survey responses suggest that agencies may have significant negotiating power.**

This reinforces the need for Mi Via Waiver ranges with reasonable maximum rates. As described in the “Rate Study Recommendations” section, PCG’s recommended rate methodology sets the maximum for Mi Via rate ranges at equal to the rate for the comparable DD Waiver service.

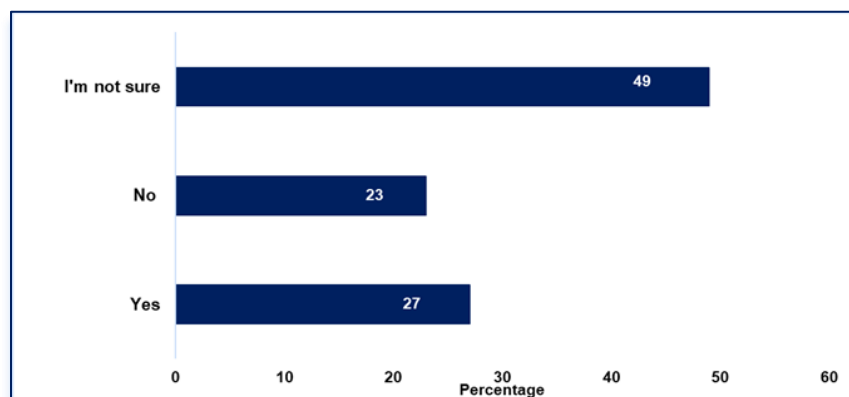
Of the 272 employee or vendor responses, 182 responded to the question “How was the rate for the Mi Via services you provide determined? Please select all that apply.” Of the 182 responses:

- 56% of responses suggest participants are empowered to set or negotiate the rates
  - ◆ 31% of respondents reported the participant or EOR proposed the Mi Via Waiver service rate.
  - ◆ 18% respondents reported the rate was negotiated between the participant/EoR and myself, or the agency I work for.
  - ◆ 7% reported the EOR, participant and Consultant chose the rate
- 36% suggest agencies or employees set the rates
  - ◆ 20% respondents reported that either I, or the agency I work for, proposed the rate.
  - ◆ 16% reported this is the agency rate for Mi Via services.
- 8% reported some other method.

Relatedly, as shown in the Figure below, of the respondents who reported they also provide services for a participant for another waiver and knew how the rates between waivers compared, about half reported the rates for the same or similar services **differed** depending on the waiver. This suggests that negotiation is occurring and that reasonable maximums need to be set for Mi Via ranges.

The combined 36 percent of respondents who reported the agency they work for or themselves proposed the rate is in direct conflict of self-direction and the ability of the participant or their EOR to negotiate and set the rate for service delivery.

**FIGURE 10. ARE YOU PAID THE SAME RATE FOR THE SAME OR SIMILAR SERVICES, REGARDLESS OF THE WAIVER?**



**2. Responses indicated that generally the Mi Via Rates were too low, suggesting the minimum end of the rate range may be too low for some services.**

This reinforces the need for Mi Via ranges with reasonable minimum rates. As described in “Rate Study Recommendations,” PCG’s recommended rate methodology sets the minimum for MI Via rate ranges using the Santa Fe minimum wage as the wage input. Currently, some rate ranges are lower than this.

PCG received 46 responses to the open text question “Is there anything else you would like us to know regarding rates?” Of those:

- 29 respondents wrote in that they felt Mi Via rates were too low
- Representative quotes from respondents included the below:
  - *“The range of rates in place now are too low to provide a standard of living above poverty level, especially if you support a family. Providing care, especially personal care, for adults with severe physical disabilities is a hard, arduous task. You cannot find quality care for even \$15/hour. New Mexico is a state with little*

*public transportation and even in urban areas, bus stops close to the homes where people with disabilities live are sometimes few and far between. You get marginal people for marginal pay.”*

- *“The only reason I do the work at all for such low wages is because I care for the participant and the participant's family. I do not know if I can sustain my work with them because the cost of living has increased so much I need to find a higher paying job in order to avoid homelessness.”*
  - *“Due to a drastic increase in minimum wage , the consumers I work for have lost almost 20 hours per week of staffing while those on Developmental Disabilities waiver have not. They are looking at leaving mi via waiver to get adequate hours of staffing.”*
- See **Appendix H: Mi Via Survey Responses to Open-Ended Question**

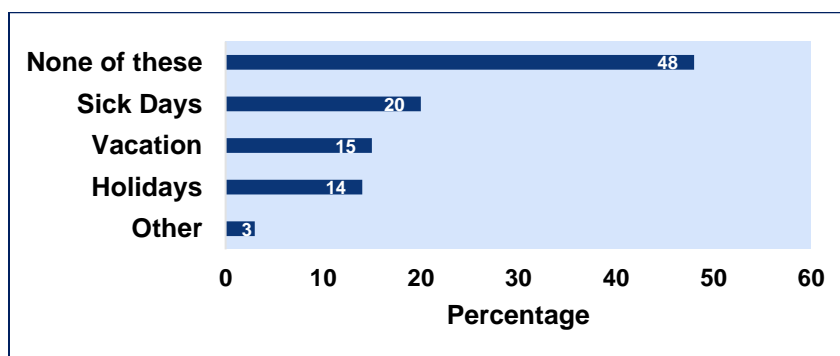
**3. Responses indicated that agencies are not always providing benefits to employees providing Mi Via services.**

Mi Via vendor agencies do not contract with the DOH. Vendor agencies contract directly with the Mi Via participant and/or EOR. Availability of benefits is entirely up to the vendor agency. Current and recommended Mi Via rates have paid sick leave built into them.

Of the respondents who reported they work for a vendor agency, most (62%) report they are an employee of the agency and (38%) reported they are contracted with the agency.

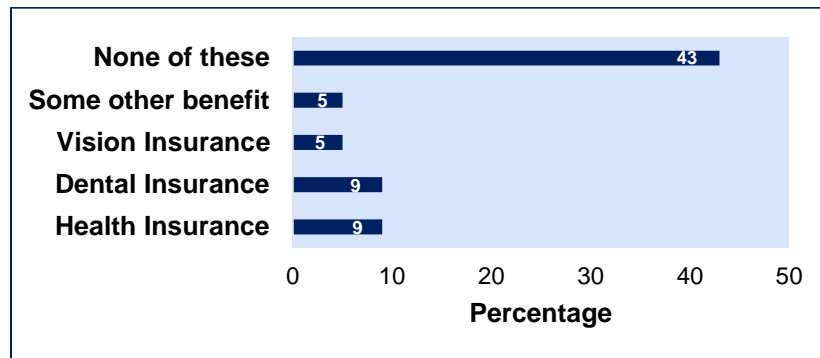
- Of employees, 66% reported that they do not receive any benefits through their vendor agency. See **Figure 11**.
- Of employees, 47% reported that they do not receive any paid time off through their vendor agency. See **Figure 12**.

**FIGURE 11. DOES THE AGENCY YOU WORK FOR PROVIDE YOU WITH ANY OF THE FOLLOWING BENEFITS? PLEASE SELECT ALL THAT APPLY.**





**FIGURE 12. DOES THE AGENCY YOU WORK FOR PROVIDE ANY PAID TIME OFF? PLEASE SELECT ALL THAT APPLY.**



## RATE STUDY RECOMMENDATIONS

The following section presents the overview of the work done for the rates and PCG's recommendations. We start with the methodology used for the rate build up and the exceptions to that methodology. We show how each exception was handled and why we chose to use the exception. We then present the proposed rates and the fiscal impact that will occur if the rates are adopted as proposed.

### Rate Calculations

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following **currently paid services** under the **Developmental Disabilities Waiver**:

- Assistive Technology Purchasing Agent
- Adult Nursing Services – RN
- Adult Nursing Services –LPN
- Behavior Support Consultation
- Case Management (On-going)
- Community Integrated Employment
  - Job Maintenance
- Customized Community Supports
  - Individual
  - Group – Category 1
  - Group – Category 2
  - Group – Small Group
- Customized In-Home Supports
  - Living with Family or Natural Supports
  - Living Independently
- Family Living
- Occupational Therapy
- Occupational Therapy Assistant
- Physical Therapy
- Physical Therapy Assistant
- Respite
- Speech-Language Pathology
- Supported Living
  - Category 1 – Basic Supports
  - Category 2 – Moderate Supports
  - Category 3 – Extensive Supports
  - Category 4 – Extraordinary Medical/Behavioral Supports
- Socialization and Sexuality Education

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following **new services** under the **Developmental Disabilities Waiver**:

- Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans
- Vendor/Call Center for Remote Support

PCG calculated **rate ranges for the Mi Via services** below using the same foundational methodology as the most comparable Developmental Disabilities service and included setting minimums and maximums to the Mi Via rate range. For a table showing which Developmental Disabilities service the Mi Via rate range is based on see **Appendix E**:

- Behavior Support Consultation
- Community Direct Supports
- Customized Community Supports
- In home Living Supports
- Homemaker/Direct Supports
- Case Management Assessment
- Private Duty Nursing – Adults RN
- Speech Therapy
- Physical Therapy
- Occupational Therapy
- Technology for safety and Independence (Purchasing Agent)

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following **new services** under the **Mi Via Waiver**:

- Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans
- Vendor/Call Center for Report Support
- Employer of Record

PCG calculated rates or ranges for these **Mi Via Waiver services** as well but the ranges were not based on the comparable Developmental Disabilities services’ rates. This is described further below in “Variations to the Rate Methodology.”

- Consultant Services
- Transportation Mile

Using the data from the market salary analysis, cost report, time study, and personnel rosters, PCG calculated recommended payment rates for the following services under the **Medically Fragile Waiver**:

- Home Health Aide
- Home Health Aide – Respite
- Private Duty Nursing – RN
- Private Duty Nursing – RN (Respite)
- Private Duty Nursing – LPN
- Private Duty Nursing – LPN (Respite)
- Case Management (On-going)

All rates were calculated using a similar methodology with different inputs. The methodology for calculating each rate is described in the following sections.

For additional details on the rates, PCG has also provided the following appendices:

- **Appendix B: Developmental Disabilities Waiver Rate Tables**
- **Appendix C: Medically Fragile Waiver Rate Tables**
- **Appendix D: Mi Via Waiver Rate Tables**
- **Appendix E: Mi Via Rate Waiver Comparable Services in Developmental Disabilities Waiver**

### Rate Methodology

The rate methodology calculations are designed to capture all the expenses involved in service delivery. The average hourly employee expense for an average service delivery professional (e.g., Nutritional Counselor/Registered Dietician) is calculated first, followed by tax and fringe benefits which are added to the average salary. Personnel roster data was used to adjust the salary by the proportion of employees. An average service professional subcontractor rate was then added proportionally to the employee salary and benefits total. From there other administrative and program support expenses (except mileage) were added based on the data in the cost study. A billable percentage was then used to account for nonbillable time and expenses associated with service delivery. Mileage was then added based on travel time assumptions.

**Table 19** below shows the inputs of the methodology. **Table 20** shows an illustration of the steps involved with additional information.

**TABLE 19: METHODOLOGICAL INPUTS EXAMPLE**

<b>EXAMPLE: Case Management, On-Going Position used for Wage: Case Manager</b>		
<b>Line Item</b>	<b>\$</b>	<b>%</b>
Annual Salary	\$51,656.80	
Hourly (2,080)	\$24.84	
ERE/Benefits	\$5.90	24%
<b>EMPLOYEE TOTAL</b>	<b>\$16.68</b>	<b>54%</b>
HCBS Subcontractor	\$11.30	46%
<b>Total Hourly Personnel Cost</b>	<b>\$27.98</b>	

Admin + Program Support	\$12.71	31%
RATE	\$40.69	
Billable/Non-billable consideration	\$58.12	70%
Mileage	\$2.73	
TOTAL HOURLY RATE	\$60.85	
Monthly Rate	\$351.57	

TABLE 20: ILLUSTRATION OF RATE CALCULATION

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Component Cost
1	Salary/Hour	N/A	Average hourly salary for employees based on BLS market salaries or reported wages.	\$25
2	Fringe Benefits/Hour	23.76%	Apply fringe rate based on cost report. $\$25 * .2376 = \$5.94$	\$5.94
3	Employee Salary Plus Benefits	N/A	Add salary to fringe from steps 1 and 2. $\$25 + \$5.94 = \$30.94$	\$30.94
4	Contractor Cost/Hour	N/A	Weighted average hourly rate for contractors based on reported salaries.	\$50
5	Portion for Employee Costs	75%	Calculate portion of personnel costs attributed to employees based on steps 1-3 and cost report. Will vary by service. $\$30.94 * 0.75 = \$23.20$	\$23.20
6	Portion for Contractor Costs	25%	Calculate portion of personnel costs attributed to contractors based on personnel and cost report. Will vary by service. $\$50.00 * 0.25 = \$12.50$	\$12.50
7	Personnel Costs	N/A	Add steps 5 and 6 for hourly personnel costs. $\$23.20 + \$12.50 = \$35.70$	\$35.70
8	Administrative and Program Support Costs (Less Mileage)	31.20%	Calculate non-personnel factor based on cost report. $(\$35.70 / (1 - 0.3120)) - \$35.70 = \$16.19$	\$16.19
9	Total Costs/Hour	60%	Add steps 6 and 7. Divide the hourly rate by the billable factor. Will vary by service.	\$86.48

Step	Line Item	Rate Calculation Modifier	Rate Calculation Details	Component Cost
	with Billable Factor		$\$35.70 + \$16.19 = \$51.89$ $\$51.89 / 0.6 = \$86.48$	
10	Mileage (if applicable)	Mileage Calculations	Multiply trip time (in hours) by mph and distill to hourly rate. PCG assumes 7% of time was spent traveling except for variations noted below.	\$3.00
11	Calculated Total with Mileage	N/A	Add Costs/Hour with Billable Factor to your per hour mileage rate. $\$86.48 + \$3.00 = \$89.48$	\$89.48
12	15 Minute Conversion	N/A	For those services billed in 15-minute increments, divide by 4. $\$89.48 / 4 = \$22.36$	\$22.37
13	Group Services	N/A	For group services, divide rate (hourly or 15 min) by the expected number of group participants. $\$22.37 / 4 = \$5.59$	\$5.59
14	Mi Via Ranges		Calculate a Minimum and Maximum as described below.	
15	No Reduction		If there is a rate decrease, the Recommended Rate will remain the Current Rate.	

### Steps 1- 7: Calculate Hourly Personnel Costs

The rate development steps first calculate an average hourly personnel cost that accounts for service delivery from both employees and subcontractors.

- Step 1 uses an example employee hourly wage of \$25.
- Step 2 then applies a fringe rate to the employee payrate based on the average fringe rate of 23.76 percent as determined by the reported tax and fringe rate from the Cost Report findings.
- Step 3 then adds the \$25 and \$5.94 figures to arrive at employee salary plus benefits rate of \$30.94.
- Step 4 uses an example independent contractor hourly wage of \$50.
- Steps 5 and 6 then distribute the employee and subcontractor payrates proportionally based on the personnel roster distribution of employees and subcontractors. In our example, of all personnel reported in the rosters, 75 percent were employees while the remaining 25 percent were subcontractors. In applying these percentages to each hourly cost, you arrive at \$23.20 and \$12.50 for employee and subcontractor costs, respectively. Adding these figures together represents the total hourly personnel cost of \$35.70 displayed in Step 7.

### Step 8: Calculate Hourly Administrative Costs

The 31.2 percent figure in Step 8 represents all the administrative and program support expenses incurred by providers as found in our Cost Report analysis. This figure comes from the cost report and includes all

administrative salaries and operating expenses other than mileage. It does not include direct service salaries, personnel taxes and fringe benefits, and subcontractor expenses. The total cost per hour equals \$51.89 (personnel total of \$35.70 plus 31.2 percent administrative factor of \$16.18).

#### **Step 9: Markup Rate to Account for Non-Billable Time in Billable Unit**

This step ensures that providers are compensated for necessary administrative time that is not included in the billable unit. In the above example, a billable factor of 60 percent was applied to the example rate, which totaled \$89.48. In our build up for the rates in this scope, most services utilize a discipline specific billable percentage as reported in our Time Study findings. Exceptions to this approach are noted in the section below titled “**Variations to the Rate Methodology.**”

#### **Step 10 and 11: Calculate Mileage and Add to Rate**

Mileage was then calculated to be added to the rate. In our build up for the rates in this scope, most services utilize the assumption that 7% of time was spent traveling based on our Time Study Findings. Exceptions to this approach are noted in the section below titled “**Variations to the Rate Methodology.**” We then converted this time into costs as detailed in “**Mileage Calculations**” below. In the example, \$3.00 per hour is added for travel to the total rate of \$86.46 to get a total hourly rate of \$89.46.

#### **Step 12: Calculate 15-Minute Unit Rate or Daily Rate (where applicable)**

Divide the total hourly rate by four to get the 15-minute unit rate.

A coefficient of Hours per Client per Month was needed to project an hourly rate build-up to a monthly rate. A total of 5.778 hours was used based upon the 2018 rate study standard used.

#### **Step 13: Calculate Group Rate (where applicable)**

If the payment rate is intended to cover a group, that 15-minute unit rate is divided by the assumed number of people to get the final group rate. In this example the group is 4 people, so the \$22.45 is divided by 4 to get a group rate of \$5.61 per person per 15-minutes.

#### **Step 14: Mi Via Rate Ranges (where applicable)**

The minimums were calculated using the Santa Fe Minimum Wage of \$14.03 as an input in Steps 1 to 7. The maximums were set equal to the rate for the similar service under the DD waiver (Appendix E: Mi Via Rate Range Calculations ). Exceptions to this approach are noted in the section below titled “**Variations to the Rate Methodology.**”

**Step 15: If this results in a decrease, the recommended rate will remain at the current rate.**

## Mileage Calculations

Due to the low travel time reported in the time study for service categories 3-5, the rate calculations for these service categories use the average of service category 1 and 2 responses for all travel eligible services.

Milage was calculated the same for each Service Category based on the reported percent of travel and the federal milage rate.

**TABLE 21: MILEAGE CALCULATIONS**

Mileage Calculations	Travel Time		Element Type	Source
	#	%		
Percentage of Hour	0.07	6.81%	Minutes/Percent	Time Study: % Travel to/from Sessions
Average MPH	63.55		NM Avg MPH	National Mileage Assumptions file
Miles Traveled	4.33		Miles	Calculation: MPH * % Travel to/from Sessions
Reimbursement Rate	\$0.655		Federal Mileage Rate	U.S. Internal Revenue Service (mileage rate effective Jan 1, 2023)
Cost Per Hour	\$2.84		Mileage Cost per Hour	Calculation: miles traveled * mileage rate

### Step 1: Calculate the proportion of travel as reported in the time study.

Time Study participants reported 6.81% of their time as travel. This is converted to assume that there is 4.09 minutes of travel per hour of service.

### Step 2 Calculate the Number of Miles Assumed Traveled

The State of New Mexico has a reported average Miles per Hour of 63.55. Assuming 4.09 minutes of travel at 63.55 miles per hour, the assumed travel is 4.33 miles.

### Step 3 Calculate the Per Hour Reimbursement

For this study, PCG used the Federal Milage Reimbursement Rate of \$0.65 per mile.  $0.65 \times 4.33$  miles traveled equals the additional \$2.84 per hour.

## Mi Via Waiver Range Methodology

Mi Via Waiver ranges are currently set based on the rate for the comparable service in the Developmental Disabilities Waiver; however, how the Mi Via Waiver range relates to the Developmental Disabilities rate widely varies by service. In response to the feedback provided in the Mi Via Waiver Survey and a desire to have an easily replicable policy for setting rate ranges, PCG's rate recommendations include a new methodology for setting Mi Via rate ranges.

Throughout the stakeholder engagement process, it became clear that minimum wage considerations were very important to both the provider community and DDSD. PCG calculated Mi Via Waiver rates using the equivalent Developmental Disabilities Waiver rate inputs, but instead of using the reported or market wages, the rate was calculated using the Santa Fe Minimum Wage of \$14.03 as an input in Steps 1 to 7 as listed above. This ensures that the minimum is sufficient to pay at least minimum wage. PCG recommends using the equivalent Developmental Disability Waiver rate (Appendix E: Mi Via Rate Range Calculations) as the maximum of the range to maintain consistency between waivers.

There were some rates that needed exceptions to this general methodology. Such exceptions are noted in the section below titled "**Variations to the Rate Methodology.**"

## 2018 Assumptions Carried Forward

There were several model assumptions developed in the 2018 study that were carried forward in the most recent model updates. Those assumptions are outlined below:

### Living Supports

Living Support services include additional steps to bundle nursing services and nutritional counseling services as required in the waiver service standards. Bundled hours were calculated into the rate by utilizing the service standard requirements and fractioning them into a daily rate. **Table 22** below shows the components used:

**TABLE 22: LIVING SUPPORTS SERVICES AND CORRESPONDING RATES AND DAILY HOURS**

Service	Hourly rate used	Daily hours
Interdisciplinary Team Meeting Attendance	Registered Nurse	0.0137
Monthly Assessment	Registered Nurse	0.0333
Monthly Hours from Service Standards (Max)	Registered Nurse (w/ 50% LPN for IMLS per service standards)	0.1667–1
On-Call Nursing	Registered Nurse	Varies
Nutritional Counseling	Nutritional Counselor	0.0137

### Customized Community Support, Group (1 and 2)

Customized Community Support Group services include additional steps to include on call hours in the rates. There were no changes to the assumptions used in the model from the 2018 study. The table below shows the components used:

**TABLE 23: CUSTOMIZED COMMUNITY SUPPORTS ASSUMPTIONS AND IMPACTS**

Assumption	Category 1	Category 2
Hours of service per year	12	36
Units Per year	3022.67	2606.96
Average Clients	4	4

### Case Management

The rate model assumes 5.778 hours per client per month to build the monthly rate, in accordance with the 2018 study.

### Family Living

There were no changes to the assumptions used in the model from the 2018 study. Family Living was developed based on 100 percent subcontractor delivery, and therefore, does not include an employee-based line item. The rate carries forward the previous inflationary factor.

### Community Integrated Employment – Job Maintenance

Since the 2018 study, the 22 hours per month per section 11.7.2.3 policy has not changed. Therefore, the rate carries forward the previous hours.

## Variations to the Rate Methodology

Some services required that PCG's methodology deviate from the input described above for travel time, billable percentage, and Mi Via rate ranges, to create a valid rate build-up. For every rate where the recommended rate



would be less than the current rate, the current rate is used. Other deviations from the above rate methodology are outlined below:

### Travel Time Variations

Where the 7% travel time did not align with the service definition, PCG made an alternative assumption. The only deviation from the assumption made was for *Vendor/Call Center for Remote Support*, which is assumed to have no travel given the nature of the service.

Note that the new services *Assistive Technology Purchasing Agent*, *Technology for safety and Independence*, *Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans*, and *Employer of Record* are all services with travel and PCG will use the same travel being used for the study.

### Billable Percentage Variations

Where position-specific reported billable percentages did not align with best practices for productivity, PCG used industry standard billable percentages or service category totals.

- *Behavioral Support Consultant Services*, PCG used the 2018 industry standard of 54 percent billable.
- *Adult Nursing Services and Socialization and Sexuality Education*, PCG used the 2018 industry standard of 65 percent billable.
- *Case Management and Consultant Services*, PCG used the 2018 industry standard of 70 percent billable.
- *Community Integrated Employment – Job Maintenance –* PCG used the Service Category 3 billable percentage of 66 percent because no participation in time study
- *Customized Community Support Individual* used Service Category 4 billable percentage of 64 percent instead of the Direct Service Personnel Service category 4 reported billable percentage of 53 percent.
- *Customized Community Support Group (Cat 1, Cat 2, and Small Group)* used Service Category 3 billable factor of 66 percent instead of the Direct Service Personnel Service category 3 reported billable factor of 59 percent.
- *Family Living* used the study wide billable percent of 77 percent instead of the Family Living reported billable factor of 100 percent.
- *Occupational Therapy Assistant* used *Occupational Therapy* billable factor of 56 percent instead of the Occupational Therapy Assistant reported billable percentage of 100 percent.

In addition, where position specific billable percentages were not collected, PCG used the total billable factor of all respondents across all services (77%), except for *Employer of Record* which assumes 100 percent billable. It was determined that since the services are new or being newly reimbursed that this assumption would be used until a new rate study could be conducted. These new services are below:

- *Assistive Technology Purchasing Agent*, *Technology for safety and Independence*,
- *Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans*, and
- *Vendor/Call Center for Remote Support*

### Exceptions to Mi Via Waiver Range Calculations

There were instances where the proposed Mi Via range methodology would either lower the rate or change the rate dramatically. For these, PCG proposes a different methodology.

- Customized Community Group Supports & Community Direct Supports
  - Maximum: The current maximum Mi Via rate is above the rate for the comparable Developmental Disabilities services so our methodology would have reduced the maximums. Therefore, PCG proposes that the current maximum rate value be maintained until the Developmental Disabilities rate increases to it.
  - Minimum: The minimum will still follow the proposed methodology.

- In Home Living Supports
  - Maximum: The maximum will still follow the proposed methodology.
  - Minimum: The daily rate makes a minimum wage calculation unfeasible. Instead, PCG changed the current minimum by the same percentage that the rate for the comparable Developmental Disabilities service (Family Living) rate is increasing.
- Homemaker/Direct Supports - This Mi Via rate is an hourly rate while the rate for the comparable DD service (Customized In Home Supports) is a 15-minute unit rate.
  - Maximum: If the 15-minute unit Developmental Disabilities rate were converted to hourly, it is much higher than the current Mi Via maximum, which suggests that to change the maximum to the Developmental Disabilities service's rate is not viable. Instead, PCG held the current maximum constant.
  - Minimum: The minimum will still follow the proposed methodology.

There were also three exceptions to the general methodology as described below.

- Consultant and RN Services
  - DDSD made a policy decision to not have a range of rates for these services. The Consultant rate was set based on the data from the time and cost study tools and market analysis for Consultant Services. The Private Duty Nursing – Adults RN rate was set equal to the comparable Developmental Disabilities service's rate (Adult Nursing Services, RN).
- Employer of Record
  - Maximum: PCG set a maximum using BLS wages for the position identified in Appendix A: HCBS Discipline and BLS Proxy Position, given there is no current comparable Developmental Disabilities service and providers who will be reimbursed are not currently providing this service so could not complete cost and time studies.
  - Minimum: The minimum will still follow the proposed methodology.
  - Note if the same service definition is used under another waiver, the same rate would be recommended.
- Transportation Mile
  - Maximum and Minimum: PCG recommended no range for this rate, but rather setting it equal to the federal transportation mile reimbursement rate.

## Therapy Services Rates

Previous iterations of the study carried forward with Physical Therapy, Occupational Therapy, and Speech Language Pathology being one rate (\$34.93), and Physical Therapy Assistant and Occupational Therapy Assistant being one rate. PCG has recognized that these positions are now receiving different wages and has built unique rates for each. The difference between the proposed Physical Therapy Assistant rate (\$25.82) and proposed Occupational Therapy Assistant rate (\$25.64) is under \$0.20. The difference in the proposed rates is larger for Physical Therapy, Occupational Therapy, and Speech Language Pathology. The rate differences reflect the differences in the market. For reference, in addition to being licensed in New Mexico, the table below shows the different qualifications for each of these three positions.<sup>1</sup>

<sup>1</sup> NMOneSource.com. "Chapter 61- Professional and Occupational Licenses". <https://nmonesource.com/nmos/nmsa/en/item/4397/index.do#!fragment/zoupio-Toc133227892/BQCwhqziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYBmLqJl4DsADgCcvAJQAaZNIKEIARUSFcAT2gByDZlhxc2ADYGAwkjTQAhhMh2EwuBEpXqtNuwgDKKeUgCF1AEQB5YwBVAfKAUQA5fGYAgCU-cljUjAAI2hSdnFxlA>. Accessed May 2022.

TABLE 24: POSITION QUALIFICATIONS

Position	Educational Req.	Field	Exam/other
<b>Occupational Therapist</b> (proposed rate of \$38.68)	<p>Successfully completed the academic requirements of an <b>educational program in occupational therapy</b> that is either:</p> <p>(a) accredited by the American occupational therapy association's accreditation council for occupational therapy education; or</p> <p>(b) in the case of a foreign educational program, accepted by the national board for certification in occupational therapy when the therapist applies to take that board's examination.</p>	<p>Successfully completed a period of supervised field work experience at a recognized educational institution or a training program approved by the educational institution where the Occupational Therapist or the Occupational Therapy Assistant has met the academic requirements of Paragraph (1) of this subsection; provided that:</p> <p>an Occupational Therapist shall complete a minimum of twenty-four weeks of supervised fieldwork experience or satisfy any generally recognized past standards that identified minimum fieldwork requirements at the time of graduation</p>	<p>Has passed an examination prescribed by the national board for certification in occupational therapy or the board; and</p> <p>Has no record of unprofessional conduct or incompetence.</p>
<b>Speech Language Pathologist</b> (proposed rate of \$46.35)	<p>Holds at least a <b>master's degree</b> in speech pathology, speech-language pathology or communication disorders or an equivalent degree regardless of degree name and meets the academic requirements for certification by a national professional association; and either.</p>	<p>Has completed the current academic, practicum and employment experience requirements for certification by a national professional association in the area for which the applicant is applying for license and has passed a recognized standard national examination in speech-language pathology.</p>	<p>Currently holds certification by a national professional association in the area for which the applicant is seeking licensure.</p>
<b>Physical Therapist</b> (proposed rate of \$47.25)	<p>Be a graduate of an accredited physical therapy program approved by the board</p>	n/a	<p>Have successfully passed the national physical therapy examination approved by the board; and</p> <p>Have successfully passed the state jurisprudence examination</p>

## Rate Tables

### Developmental Disabilities Waiver

TABLE 25: PROPOSED DD RATES VS. CURRENT DD RATES

Service	Billable Proportion Used	Billable Source	Unit	Current Rate	Recommended Rate	Change
Behavioral Support Consultation	54%	Industry Standard	15 Min	\$24.39	\$29.57	21%
Case Management, On-Going	70%	Industry Standard	Monthly	\$314.35	\$352.46	12%
Customized Community Support, Individual	64%	Time Study	15 Min	\$8.86	\$11.62	31%
Customized Community Support, Group Category 1	66%	Time Study	15 Min	\$2.68	\$2.81	5%
Customized Community Support, Group, Category 2 Extensive Support	66%	Time Study	15 Min	\$5.21	\$6.40	23%
Customized Community Support, Small Group	66%	Time Study	15 Min	\$5.73	\$5.73	0%
Customized In-Home Supports Living with Family or Natural Supports	89%	Time Study	15 Min	\$7.99	\$7.99	0%
Customized In-Home Supports, Living Independently	89%	Time Study	15 Min	\$7.99	\$7.99	0%
Family Living	77%	Time Study	Daily	\$152.96	\$181.39	19%
Supported Living Cat1 (Basic)	89%	Time Study	Daily	\$210.35	\$210.35	0%
Supported Living Cat2 (Moderate)	89%	Time Study	Daily	\$258.69	\$258.69	0%
Supported Living Cat3 (Extensive)	89%	Time Study	Daily	\$339.09	\$339.59	0%
Supported Living Cat4 (Extraordinary)	89%	Time Study	Daily	\$435.81	\$440.25	1%
Adult Nursing Services, RN	65%	Industry Standard	15 Min	\$24.36	\$28.20	16%
Adult Nursing Services, LPN	65%	Industry Standard	15 Min	\$16.59	\$18.97	14%
Respite	93%	Time Study	15 Min	\$4.82	\$7.08	47%
Occupational Therapy	56%	Time Study	15 Min	\$34.93	\$38.68	11%
Occupational Therapy Assistant	56%	Time Study	15 Min	\$23.78	\$25.64	8%
Physical Therapy	60%	Time Study	15 Min	\$34.93	\$47.25	35%
Physical Therapy Assistant	59%	Time Study	15 Min	\$23.78	\$26.50	11%
Speech, Language Pathology	54%	Time Study	15 Min	\$34.93	\$46.35	33%
Community Integrated Employment Job Maintenance	66%	Time Study	Monthly	\$951.66	\$1,296.20	36%
Assistive Tech Purchase Agent	77%	Time Study	15 Min	N/A	\$18.88	N/A
Socialization and Sexuality Education	65%	Industry Standard	Rate	\$354.00	\$509.88	44%
Vendor/Call Center Remote Support	77%	Time Study	15 Min	N/A	\$9.58	N/A
Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans	77%	Time Study	15 Min	N/A	\$18.88	N/A

**TABLE 26: PROPOSED INCENTIVE DEVELOPMENTAL DISABILITIES RATES VS. CURRENT INCENTIVE DEVELOPMENTAL DISABILITIES RATES**

Service	Billable Proportion Used	Billable Source	Unit	Current Incentive Rate	Recommended Incentive Rate	Change
Behavioral Support Consultation	54%	Industry Standard	15 Min	\$31.46	\$38.14	21%
Occupational Therapy	56%	Time Study	15 Min	\$44.54	\$49.32	11%
Occupational Therapy Assistant	56%	Time Study	15 Min	\$31.20	\$33.64	8%
Physical Therapy	60%	Time Study	15 Min	\$44.54	\$60.25	35%
Physical Therapy Assistant	59%	Time Study	15 Min	\$31.20	\$34.76	11%
Speech/Language Pathology	54%	Time Study	15 Min	\$44.54	\$59.10	33%
Socialization and Sexuality Education	65%	Industry Standard	Each	\$708.00	\$1,019.75	44%

***Mi Via Waiver*****TABLE 27: PROPOSED MI VIA RATES VS. CURRENT MI VIA RATES**

Service	Billable Proportion Used	Billable Source	Unit	Current Rate Range	Recommended Rate Range	Change
Behavioral Support Consultant	54%	Industry	15 Min	\$12.24 - \$20.65	\$20.97 - \$29.57	71% - 43%
Consultant Services	70%	Industry	Monthly	\$313.93	\$385.36	23%
Community Direct Support	64%	Time Study	15 Min	\$1.88 - \$15.48	\$10.59 - \$15.48	463% - 0%
Customized Community Group Supports	66%	Time Study	15 Min	\$1.36 - \$8.82	\$2.56 - \$8.82	88% - 0%
In Home Living Supports	89%	Time Study	Daily	\$25.04 - \$150.26	\$25.04 - \$181.38	0% - 21%
Homemaker/Direct Supports	89%	Time Study	Hourly	\$7.50 - \$14.60	\$7.50 - \$14.60	0% - 0%
Private Duty Nursing – Adults RN	65%	Industry Standard	15 Min	\$10.90	\$28.20	159%
Respite Standard	93%	Time Study	15 Min	\$3.38	\$7.53	123%
Occupational Therapy	56%	Time Study	15 Min	\$12.74 - \$23.71	\$12.74 - \$38.68	0% - 63%
Physical Therapy	60%	Time Study	15 Min	\$13.51 - \$24.22	\$13.51 - \$47.25	0% - 95%
Speech/Language Pathology	54%	Time Study	15 Min	\$16.06 - \$24.22	\$16.06 - \$46.35	0% - 91%
Technology for Safety and Independence Purchase Agent	77%	Time Study	15 Min	N/A	\$8.89 - \$18.88	N/A
Employer of Record	100%	Benchmark	15 Min	N/A	\$6.31 - \$9.29	N/A
Transportation Mile			Each	\$0.44	\$0.66	49%
Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans	77%	Time Study	15 Min	N/A	\$8.89 - \$18.88	N/A
Vendor/Call Center Remote Support	77%	Time Study	15 Min	N/A	\$8.19 - \$9.58	N/A

## Medically Fragile Waiver

TABLE 28: PROPOSED MEDICALLY FRAGILE RATES VS. CURRENT MEDICALLY FRAGILE RATES

Service	Billable Proportion Used	Billable Source	Unit	Current Rate	Recommended Rate	Change
Case Management Ongoing Medically Fragile	70%	Industry Standard	Monthly	\$581.94	\$635.51	9%
Home Health Aide	79%	Time Study	Hourly	\$30.46	\$42.93	41%
Respite Home Health Aide	79%	Time Study	Hourly	\$30.46	\$42.93	41%
Private Duty Nursing -RN	65%	Industry Standard	15 Min	\$24.36	\$28.20	16%
RN Respite Services Medically Fragile	65%	Industry Standard	15 Min	\$24.36	\$28.20	16%
Private Duty Nursing - LPN	65%	Industry Standard	15 Min	\$16.59	\$18.97	14%
Respite - LPN	65%	Industry Standard	15 Min	\$16.59	\$18.97	14%

## Fiscal Impact

PCG calculated the fiscal impact and percentage variance of SFY21 and SFY22 based on the actual units claimed. **Table 29** shows HCBS SFY22 costs would have been 13% higher based on SFY22 service levels (adjusted for trend) under the proposed rates with implementation in SFY24. PCG further applied a cost adjustment factor (CAF) to the proposed rate structure to identify the potential fiscal impact on total cost with an implementation in SFY25 and SFY26. Please refer to the Inflation Considerations section of this report for the CAF methodology and calculations.

**Table 30** shows total proposed rate projections by waiver using SFY22 service levels adjusted for trend. The \$53.6 million fiscal impact was determined by multiplying rates times units, which is the total cost of the proposed rates inclusive of the state and federal share. The rate build-ups also include the Gross Receipts Tax (GRT) expense of providers. Therefore, the fiscal impact projections below also include the GRT. See Table 13, where the “Other Expenses” line-item includes the GRT expense reported by participating agencies.

PCG tested the sensitivity of the rate calculations based on an analysis of payments made between SFY2019 and SFY2022. Due to high volatility in utilization and the pandemic impact, only the most recent 2 years of complete claims data, SFY2021-22, was utilized in projecting costs. It is recommended that growth trends be evaluated in future years as the pandemic effect on the data fades.

Please note these estimates exclude the following services because the services are new, without an established rate, and, thus, do not have associated utilization data.

- ❖ Assistive Technology Purchasing Agent
- ❖ Technology for Safety and Independence Purchasing Agent
- ❖ Vendor/Call Center Remote Support
- ❖ Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plan
- ❖ Employer of Record

Please refer to **Appendix F: HB 395 Minimum Wage Considerations** for an illustrative look at the law’s impact on positions within the Developmental Disabilities, Medically Fragile, and Mi Via waivers.

**TABLE 29: FISCAL IMPACT ANALYSIS BASED ON SFY22 SERVICE UTILIZATION**

Description	Total \$
<b>Current Rate SFY22 Projection Spend</b>	<b>\$ 425,599,599</b>
<b>Proposed Rate Projection Spend (SFY24)</b>	<b>\$ 480,961,089</b>
\$ Difference	\$ 53,586,528
% Difference	13%
<b>Proposed Rates Spend with CAF (SFY25)</b>	<b>\$ 498,756,650</b>
\$ Difference	\$ 71,309,031
% Difference	17%
<b>Proposed Rates Spend with CAF (SFY26)</b>	<b>\$ 516,504,114</b>
\$ Difference	\$ 89,056,495
% Difference	21%

**TABLE 30: PROPOSED RATE PROJECTIONS BY WAIVER**

Waiver	SFY22 Standard Units	SFY22 Incentive Units	SFY22 Total Units	Proposed Rate Standard Projection	Proposed Rate Incentive Projection	Proposed Rate Total Projection*	Fiscal Impact
<i>Developmental Disabilities</i>	8,842,620	450,854	9,293,474	\$ 307,025,206	\$ 20,170,263	\$ 327,195,470	\$ 38,728,466
<i>Medically Fragile</i>	60,621	-	60,621	\$ 3,698,125	-	\$ 3,698,125	\$ 542,170
<i>Mi Via</i>	8,838,444	-	8,838,444	\$ 150,140,552	-	\$ 150,140,552	\$ 14,315,892
<b>Total</b>	<b>17,741,684</b>	<b>450,854</b>	<b>18,192,538</b>	<b>\$ 460,863,883</b>	<b>\$ 20,170,263</b>	<b>\$ 481,034,146</b>	<b>\$ 53,586,528</b>

### *Mi Via Waiver Individual Budgetary Allotment*

Individuals who enroll in the Mi Via Waiver create a Service and Support Plan (SSP) that identifies the type and amount of waiver services they will receive. Individuals can choose from among any services provided in the waiver to meet their assessed needs for support. According to the DDSD website, the SSP is a person-centered plan that must revolve around the individual participant and reflect their chosen lifestyle, cultural, functional, and social needs for successful community living. Once the services are identified, an annual individual budgetary allotment (IBA) is developed for each individual and their SSP using established rates. The IBA is the maximum amount of funding each individual has for their service plan year; it is determined by both the individual's age and the selected living supports, if applicable. When rates are increased, this can have a negative impact on the amount of services an individual receives unless the IBA is adjusted. Therefore, PCG proposes an increase to the IBA to ensure continuity of services.

To calculate needed changes to the IBA, PCG determined the change in total Mi Via spending expected as a result of the Recommended Rates. The 10.5% increase in costs for rates under review in this study comprise approximately 98% of total projected Mi Via spending after the rate increases. The estimate for increased expenditures was compared against the actual SFY 2022 expenditures to determine the amount of increase in the budget allocation needed to account for the increased rates.

The IBAs shown in **Table 31** were adjusted to incorporate the annualized increased costs associated with the revised rates. The increases are recommended to maintain the same level of support available with the current budget allocations.

**TABLE 31: MI VIA INDIVIDUAL BUDGETARY ALLOTMENT ADJUSTMENTS TO MAINTAIN CONTINUITY OF SERVICES**

Budget Allocation Levels	Current	New
0–17-year-olds	\$23,443	\$25,854
18–20-year-olds	\$54,589	\$60,204
18–20-year-olds with In Home Living Supports	\$68,589	\$75,644
21 years and older	\$72,710	\$80,189

### *Inflation Considerations*

The rates calculations were based on data collected primarily from 2022-23. PCG recommends DDSD consider the inflation factors described below when moving forward, based on the actual implementation period. For example, rates that would be implemented in SFY 2025 or SFY 2026 would require additional increases to account for the inflation in costs. Please refer to the previous fiscal impact section for illustration of these increases.

There are several mechanisms to account for inflation. PCG recommends using a reliable source such as the Consumer Price Index (CPI), which is made available by the Bureau of Labor Statistics. Specifically, the CPI-U index covers all urban consumers, representing the cost of all items to 88 percent of the U.S. population. The Western region would be the most appropriate benchmark because there is no New Mexico specific CPI-U available. As **Table 32** below illustrates, the average cost of items increased approximately one to three percent over the past five years, averaging to 3.70 percent annually over that period.

**TABLE 32: INFLATION INCREASE OVER TIME**

Year	Month	Annual	Inflation %	Five-Year Average
2018	April	262.037		
2019	April	269.522	2.39	
2020	April	272.913	.75	
2021	April	283.507	3.83	
2022	April	307.145	7.47	
2023	April	322.187	4.05	3.70

**Table 33** below shows how the 3.70 percent inflation factor could be applied annually. Notice that the 3.70 percent factor is applied to each preceding year. This effectively increases the percentage each year as the figure is continuously applied to a larger baseline. This means that each rate should be multiplied by the inflation factor based on the implementation year.

**TABLE 33: INFLATION FACTORIZATION**

Implementation Period	Inflation Factor
July 2023	100.00%
July 2024	103.70%
July 2025	107.39%
July 2026	111.09%
July 2027	114.79%





## IV. PROGRAMMATIC ASSESSMENT

### METHODOLOGY

In addition to the rate methodologies in the previous section of this report, the Scope of Work required Public Consulting Group (PCG) to conduct programmatic assessments as defined in the Rate Study Section, Subsection 1A-G, subsection 2A-C, subsection 3, subsection 4 and in the Program Development Section. The assessment and subsequent activities were focused on the services included in the rate study along with newly defined services. PCG's scope did not include an assessment of all services in all waivers. PCG conducted our programmatic assessment by:

1. Evaluating the current policy landscape (1) in New Mexico including waiver language, state laws, state regulations, and Developmental Disabilities Supports Division (DDSD) Standards (2) at the federal level including Centers for Medicare & Medicaid Services (CMS) guidelines, guidance, notices of proposed rulemaking.
2. Convening subject matter experts in Home and Community Based Services (HCBS), Intellectual/Developmental Disability (I/DD) programs, CMS policy, and rate setting to identify best practices in areas including components of service definitions, acuity-based rates, service units, rate setting methodologies, and waiver management.
3. Conducting peer state research in certain policy areas to inform the feasibility of our recommendations. As shown in the "What We Learned" section below, we researched states with characteristics similar to New Mexico operating HCBS waivers with similar services, that also have few urban areas, some mid-sized towns and are comprised primarily of rural and frontier regions. PCG also included other states with similar services who did not necessarily share similar geographical characteristics.

### FINDINGS

PCG's work with DDSD included researching best practices, conducting reviews of literature, and other sources, gathering information from providers, and summarizing best practices related to current rate methodology, rates, and services. This section details what we learned from our work and indicates areas where PCG provides recommendations in the [Recommendations](#) following this section.

#### *Service Definitions, Levels of Need, and Units of Service*

The scope of this study included reviewing DDSD's current service definitions, levels of need for each service, and billable units for each service. PCG evaluated these items against CMS's 1915(c) waiver requirements, which can be found in the Instructions, Technical Guide and Review Criteria. PCG also evaluated these items using best practices from other states and our teams' expertise in 1915(c) waivers.

DDSD's current service definitions, level of need, and units of service, at minimum align with CMS requirements and best practices in other states. Where PCG believes a change should be made to improve individuals' experiences, we indicate that recommendation in the table below and provide details in the Recommendations section.

In addition, DDSD has several exceptional service definitions that clearly identify what is and is not allowed within the service, how the service should be provided, and who is eligible to provide the service. PCG noted that New Mexico has several exceptional service definitions in policy now including Customized Community Supports, Private Duty Nursing, Respite, Occupational Therapy, Physical Therapy, Speech Therapy, Community Integrated Employment, Socialization and Sexuality Education, Home Health Aide, and Transportation Mile.

**Table 34** below summarizes our evaluation. The service column uses the general term for like services. A check mark indicates no change recommended.

TABLE 34: SERVICE DEFINITIONS, LEVEL OF NEED AND UNITS OF SERVICE

Service Title	HCBS Waiver	Service Definition	Level of Need	Unit of Service
Adult Nursing Services, Licensed Practical Nurse (LPN) and Registered Nurse (RN)	DDW, MF	Change recommended	✓	✓
Assessment for Personal Support Technology and Developing and Authorizing Person-Centered Enabling Technology Integration Plans	DDW, MV	New service	✓	✓
Assistive Technology Purchasing Agent/ Technology for Safety and Independence	DDW, MV	Change recommended	✓	✓
Behavioral Support Consultant	DDW, MV	✓	✓	✓
Case Management	DDW, MF	Change recommended	✓	✓
Community Direct Support	MV	✓	✓	✓
Community Integrated Employment	DDW	✓	✓	✓
Customized Community Group Supports	MV	✓	✓	✓
Customized Community Supports	DDW	✓	✓	✓
Customized In-Home Supports	DDW	Change recommended	✓	✓
Employer of Record	MV	New service	✓	✓
Family Living	DDW	✓	Change recommended	✓
Home Health Aide	MF	✓	✓	Change recommended
In Home Living Supports	MV	✓	✓	✓
Occupational Therapy	DDW, MV	✓	✓	✓
Personal Support Companion/Homemaker	MV	✓	✓	Change recommended
Physical Therapy	DDW, MV	✓	✓	✓
Private Duty Nursing – Adults RN	MV	✓	✓	✓

Service Title	HCBS Waiver	Service Definition	Level of Need	Unit of Service
Respite (various)	DDW, MV, MF	✓	✓	✓
Socialization and Sexuality Education	DDW	✓	✓	✓
Speech Therapy	DDW, MV	✓	✓	✓
Supported Living	DDW	✓	✓	✓
Transportation Mile	MV	✓	✓	✓
Vendor/Call Center for Remote Support	DDW, MV	New service	✓	✓

\*DDW = Developmental Disabilities Waiver, MV = Mi Via Waiver, MF = Medically Fragile Waiver

### Rate Setting Employed in Other States and Unallowable Costs

Section 1902 (a)(30)(A) of the Social Security Act is the foundational statutory provision for Medicaid provider payment. This provision requires that states provide payment for all Medicaid-covered services to “safeguard against unnecessary utilization,” be “consistent with efficiency, economy, and quality of care,” and be “sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.” Within this and related federal regulatory constraints, states have flexibility in setting their fee for service rates through various methodologies. For example, some states use a fee schedule that is based on a percentage or commercial payment rates for like services while others use cost-based rates. Approaches are often informed by state’s policy priorities and budget constraints and ultimately rate methodologies must be approved by Centers for Medicare and Medicaid Services (CMS).

The rate methodology presented in the Rate Development section of this report aligns with rate methodologies that CMS has approved in all states. The rate methodology also aligns with CMS’ federal cost allocation regulations under 2 C.F.R. § 200 and 45 C.F.R. § 75 which state that where provider costs have multiple purposes (e.g., a staff person who oversees two programs), rate methodologies can reasonably allocate the expenses across purposes using source documentation like time studies.

In addition, this rate methodology aligns with the federal prohibition against using Medicaid funds on room and board in the community except in specific 1915(c) waivers.

### Geographic Adjustment for Costs of Living

PCG analyzed the myriad of data collected for the cost study to assess for any notable differences among the geographic regions in New Mexico, including by time and cost, and no material differences were found which would justify recommending an alternative rate structure based on geographic modifiers.

New Mexico, like many western peer states, has few urban areas, some mid-sized towns, and is comprised primarily of rural and frontier regions. Across the state, regions have different costs of living like the costs associated with minimum wage and other benefits such as health care.

States can address this variation by setting up rates that vary by region. While this approach has the benefit of precision in reimbursement for costs, it also comes with a cost as procedure codes must be set up to allow for multiple rates for one code and processes must be established to verify a provider’s location.

A more common approach is to use cost of living inputs that ensure the highest cost region is reimbursed adequately. DDSD’s current rate methodology uses this approach. For example, in this study, PCG used the

minimum wage for Santa Fe area, which was higher than that of other regions, to ensure providers in all regions are adequately reimbursed. DDSD could also explore whether other costs vary by region; although in this study there was not adequate data to do this geographic analysis, there may be in future studies. In lieu of that approach, this study pools the travel of all providers. This is offset by DDSD's current incentive rate to reimburse providers in certain counties above the standard rate.

### ***Waiver Management to Utilize Resources More Efficiently***

New Mexico, like many states, seeks to implement and operate programs that support people with accessing the right services at the right time. This goal supports the receipt of quality services for individuals and helps create a system that works for everyone involved. To support DDSD with this effort, PCG reviewed CMS requirements for waiver administration and operation, along with DDSD's approved waivers, and other state waiver agreements.

### ***CMS Requirements***

CMS, through the 1915(c) waivers, offers significant flexibility for states to design and implement programs that work for the individuals in their state. The flexibility within the waivers affords states the opportunity to define services and create operations that align with a state's goals and visions for how it provides services to its residents. While flexibility can be good, it can also lead to an over complication of HCBS programs and systems within states.

The HCBS Taxonomy provides a standard categorization structure for Medicaid HCBS with definitions of the categories and subcategories. The HCBS taxonomy provides a classification of services that states use to create their own service definitions. This latitude can lead a state who administers and operates multiple HCBS waivers to have varying definitions for the same HCBS service category (e.g., Day Services). Varying definitions not only make it more difficult and inefficient for a state to oversee the waiver(s), but also creates complexities for providers. Providers often provide services for more than one target population, however, when the definition of the same service, e.g., Day Services, varies from each waiver, along with the provider qualifications and requirements, providers are more likely to limit the waivers/target populations they will provide services to.

### ***State Research***

Like New Mexico, states are working to simplify their waivers for the individuals receiving services, the providers, and the state staff. States tackle this problem in a multitude of ways:

- Revise service definitions to align with one another across waivers.
- Revise provider qualifications to align with one another across waivers.
- Redesign the waivers to create fewer waivers.

In 2014, CMS regulations were amended to allow states to combine target populations into one waiver. Since that time, states have embarked on the process of redesigning or simplifying their waivers. New York is one state who has simplified their number of waivers and now has one 1915(c) waiver for children with a variety of disabilities.

Minnesota is currently engaged in Waiver Reimagine, where they seek to make it easier for individuals to describe the services they want; provide information about services and budgets so people have more choice and control; provide equitable access and funding across waiver programs; and increase options for self-direction.

### ***Current Rate Methodology and its Impact on Supply, Staff, and Quality***

Within a state's waiver agreement with CMS, a state must identify how they will measure and address quality. States are required to define quality assurance and sub assurance measures, aimed at providing a quality experience for individuals. In addition, the methodology and reimbursement rate implemented for services can impact quality as it relates to provider capacity and staff training. Our work with DDSD included a review of their current rate methodology, to identify its impact on provider capacity and quality of providers.

DDSD's current rate methodology aligns with the CMS methodology for developing HCBS rates. The current methodology is not prohibitive in regard to provider expansion, hiring of staff, or providing quality staff. It is also important to note that a change in rate methodology and/or increase in reimbursement does not equate to an increase in providers, an increase in staff, or quality services.

States employ multiple methods to support provider expansion, hiring of staff, and quality services. Some states have implemented wage pass-throughs, where services receive a rate increase, but the difference between the base rate and increase is for direct service workers. This pass-through can result in raises for staff, bonuses, benefits, training, and recruitment. In addition, in April 2023 the CMS issued a notice of proposed rulemaking (NPRM) called Ensuring Access to Medicaid Services (Access NPRM) which includes a new rule that would require 80% of Medicaid payments for specific services be spent on direct support professionals (as opposed to overhead).

DDSD's current methodology also includes Standard and Incentive rates, with the enhanced rate implemented to support providers in certain areas. Other states have implemented similar rates and policies, where certain parts of a state may have a higher rate for services based on geographical location of service delivery.

Other states also implement value-based payments, based on their needs and desired outcomes. Value based payments can be used to incentivize providers to attain certain accreditation related to quality; to reduce staff turnover; to expand their service network; and other goals important to the state.

### ***Simplifying Service Codes***

As a best practice, each procedure code should be unique and non-overlapping with other procedure codes both in the claims payment system and in data reporting used by HSD and DDSD. In addition, to minimize erroneous billing and reimbursement, the state should eliminate procedure codes that are no longer in use.

### ***Method to Assess the Quality of Services***

States and programs assess and define "quality" in a multitude of ways. The common denominator, however, is that quality is defined. HCBS waivers provide a multitude of ways for states to assess the quality of their services, including but not limited to:

- Waiver assurances as required in 1915(c) HCBS waivers
- National Core Indicators (NCI)
- The Council on Quality and Leadership (CQL)
- Commission on Accreditation of Rehabilitation Facilities (CARF)
- Participant Satisfaction Surveys
- Complaints/Grievances
- Licensing surveys
- Incident/Critical Incident Reports

New Mexico currently has methods in place that support the establishment and practice of quality. Many services in the I/DD waivers require that providers either have CQL or CARF accreditation to qualify as a provider. Both CQL and CARF have commitments to improving services, quality, and individuals' experiences with their services. This is a qualification that other states also have in place to support their quality improvement efforts.

The critical piece to assessing quality of services is to define what quality means and then identify the method(s) for how that will be assessed. Once methods have been identified, assessment must take place followed by the identification of improvements, implementing improvements and then assessment again. This then begins the continuous quality improvement cycle. For any state to assess quality, implement changes, and then reassess, they need to ensure their base performance measures are in place long enough to identify trends and measure success, effectiveness of improvements, or other efforts to impact those measures.

In assessing quality, it is crucial to include the individuals receiving services. While each state has assurances and performance measures in their waivers, to ensure a full picture of quality, feedback from the individuals who receive the services and navigate the waiver on a daily basis is essential. For example, many states have implemented NCI surveys, which employ both in-person and online surveys to solicit individual feedback. States not only have access to their own data through NCI but can see what the system looks like across the country (for those states who participate). This information is then used to create positive outcomes for individuals and provides states information on areas where quality can improve.

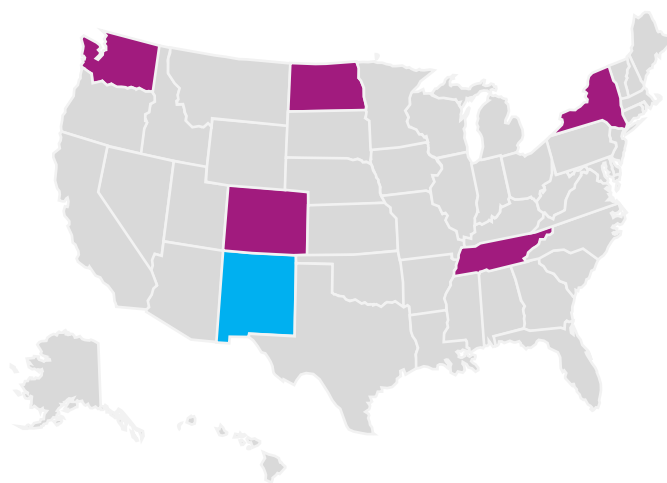
Other methods for assessing quality include data from incident and critical incident reports, complaints and grievances received, and results from licensing surveys. All of this information can support states in measuring the quality of services and the program overall so that areas for improvement can be identified; plans to improve made; and a reassessment conducted to see if adjustments worked.

### ***Assistive Technology/Technology for Safety and Independence***

In all, PCG reviewed six peer states for the Assistive Technology/Technology for Safety and Independence services. The states reviewed are shown in **Figure 13**. When comparing peer states, it is important to keep in mind that states differ in the way they have structured their waivers and service delivery. When possible, PCG chose peer states with few urban areas, some mid-sized towns and that are comprised primarily of rural and frontier regions.

Currently New Mexico's Assistive Technology and the Assisted Technology Purchasing Agent services are billed as a separate procedure codes. The Assistive Technology may not exceed \$500/year and the purchasing agent may not exceed 15% (inclusive of the \$500) of the Assisted Technology purchase price.

**FIGURE 13. ASSISTIVE TECHNOLOGY SELECTED PEER STATES**



PCG reviewed the waiver application and fee schedules for six states: Washington, Colorado, North Dakota, South Dakota, Tennessee, and New York.

Of note, PCG's research determined that New Mexico's upper limit for these two services is significantly lower than other peer states. As implied by no assistive technology data being received during the time study, the current limit for both services may be too low to allow participants to purchase assistive technology devices in a meaningful way. A summary of our findings is **Table 35** below.

**TABLE 35: ASSISTED TECHNOLOGY PURCHASING AGENT PEER STATE RESEARCH FINDINGS**

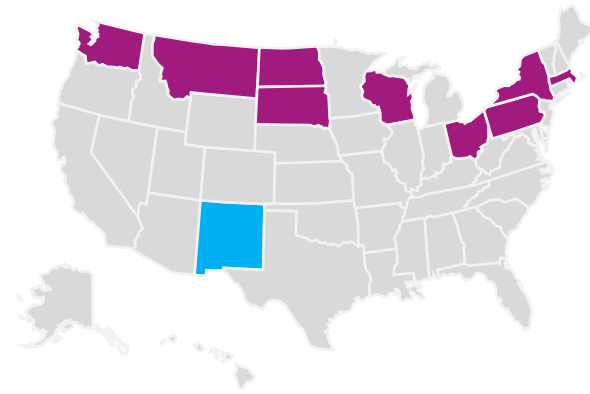
State	Waiver	Service	Methodology	Upper Limit Detail
<b>Colorado</b>	CO Supported Living Services	Specialized Medical Equipment and Supplies	Evaluation, selection, training, warranty and repair billed in the same procedure code as the equipment purchase.	\$10,000/five-year life of the waiver. Three estimates are required if the expected cost exceeds \$2,500.
<b>New York</b>	NY Office for People with Developmental Disabilities (OPWDD) Comprehensive	Assistive Technology – Adaptive Devices	Evaluation, acquisition, selection, coordination and training billed in the same procedure code as the equipment purchase.	\$15,000/year. This amount may be exceeded due to medical necessity and with prior authorization from the Single State Medicaid Agency.
<b>North Dakota</b>	ND Autism Spectrum Disorder Birth Through Fifteen	Assistive Technology	Evaluation, selection, training, warranty and repair billed in the same procedure code as the equipment purchase.	\$5,000/five-year life of the waiver
<b>South Dakota</b>	SD Home and Community-Based Options and Person-Centered Excellence	Specialized Medical Equipment	Evaluation, selection, training, warranty and repair billed in the same procedure code as the equipment purchase.	Limited to average cost of nursing home care/year for all waiver services
<b>Tennessee</b>	TN Statewide Home and Community Based Services	Assistive Technology	The purchase price for waiver-reimbursed Assistive Technology shall be considered to include the cost of the item as well as basic training on operation and maintenance of the item.	\$10,000/for two participant plan years.
<b>Washington</b>	WA Basic Plus	Assistive Technology	Eval, purchases and leasing, time to select and training all billed to the same procedure code.	\$550/year. Department approval needed for anything over this amount

### **Employer of Record**

PCG also completed a national scan to recommend a reimbursement rate, and billable unit of service, for New Mexico's new Employer of Record draft service in the Mi Via Waiver. DDSD provided PCG with the Mi Via Waiver April 2020 Professional Employer of Record Informational Brief and Mi Via's Employer of Record draft. To support our development of a rate and billable unit of service, PCG reviewed the CMS Technical Guide, Appendix E and reviewed other states self-direction models of service delivery. PCG identified nine states for research, based on a scan of their approved waivers and Appendix E information. The identified states have self-direction models that reimburse for similar or same tasks as defined in DDSD's Employer of Record draft service.



FIGURE 14. SELECTED PEER STATES



The 9 states PCG identified for research are: Washington, Montana, North Dakota, South Dakota, Wisconsin, Ohio, Pennsylvania, New York, and Massachusetts.

Key findings shown in **Table 36** include:

- Seven states pay for like tasks as an administrative activity, and therefore do not have a publicly available rate.
- Three states, Montana, New York, and Wisconsin, pay for like tasks as a waiver service.
- All states pay for these activities as a Per Member Per Month (PMPM) billable unit of service.

TABLE 36: EMPLOYER OF RECORD PEER STATE RESEARCH FINDINGS

State	Waiver	Waiver or Admin Activity?	Billable Unit of Service
Massachusetts	MA Community Living Waiver	Administrative activity	PMPM
Montana	MT Big Sky Waiver	Waiver service  <b>Effective July 1, 2023 the is \$178.50 per member per month</b>	PMPM
New York	NY OPWDD Comprehensive Waiver	Waiver service  PMPM, billed in three tiers.  Tier level is determined by the number of participant’s direct care hours billed per month.  <b>Effective April 1, 2021, the tier levels are as follows: Tier 1: \$145 per member per month Tier 2: \$384 per member per month Tier 3: \$1,036 per member per month</b>	PMPM
North Dakota	ND Medicaid Waiver for Medically Fragile Children Waiver	Administrative activity	PMPM
Ohio	OH Self Empowered Life Funding Waiver	Administrative activity	PMPM
Pennsylvania	PA Community Living Waiver	Administrative activity	PMPM
South Dakota	SD Family Support 360 Waiver	Administrative activity	PMPM

State	Waiver	Waiver or Admin Activity?	Billable Unit of Service
Washington	WA New Freedom Waiver	Administrative activity	PMPM
Wisconsin	WI Include, Respect, I Self-Direct Waiver	Waiver service  Currently Wisconsin has no set rates for their waiver services.	PMPM

## RECOMMENDATIONS AND NEXT STEPS

### Service Definitions

CMS sets the best practice criteria for service definition development. DDSD's current service definitions at minimum align with CMS requirements. The below are areas for DDSD's consideration that PCG identified best practices:

- **Adult Nursing Services:** Currently the Developmental Disabilities Waiver Adult Nursing Services, RN and Adult Nursing Services, LPN are two separate procedure codes on the fee schedule; but the Developmental Disabilities Waiver "Adult Nursing Services" definition in the Developmental Disabilities Waiver Service Standards does not delineate the difference between the RN and LPN procedure codes/service. PCG recommends the language in the Developmental Disabilities service standards be updated to clarify and note that both must provide services within their scope of practice.
- **Assistive Technology Purchasing Agent/Technology for Safety and Independence Purchasing Agent:** To better support the purchase of technology for individuals and expand the number of providers willing and able to purchase technology, DDSD should consider changing the assistive technology purchasing agent reimbursement from 15% of the assistive technology purchase price to a 15-minute unit rate, which would be updated in the service definition and standards.
- **Case Management:** Most definitions of case management include referral and related activities that help individuals obtain needed services. PCG recommends adding this component to the Developmental Disabilities Waiver. If this is not an activity case managers support, then no changes need to be made. DDSD should use the Mi Via definition of Consultant as a reference for updating the DD Waiver case management definition.
- **Customized In-Home Supports (CIHS):** Currently the Developmental Disabilities Waiver CIHS definition is unclear about whether support is available only to a participant who lives independently or is it also available to a participant who lives in a provider owned residence. PCG recommends that DDSD update the definition to clarify the type of living situation required for a participant to be eligible for CIHS.
- **Additional Service Definitions:** For the services below, DDSD is in the process of developing service definitions. They should continue this process and engage with stakeholders to ensure the definition makes sense and is understood by all. In addition, DDSD should use the CMS Technical Guide to determine which type of definition they wish to include in the waiver (exhaustive or purpose).
  - **Employer of Record**
  - **Vendor/Call Center for Remote Support**
  - **Assessment for Personal Support Technology and Developing and Authorizing Person-Centered Enabling Technology Integration Plans**
- **New Rates:** While DDSD is implementing separate rates for the two provider types below, service definitions and standards do not need to change. Current definitions and standards identify physical therapy assistants and occupational therapy assistants within the definitions, and reference that each must provide services within their scope of practice.
  - **Physical Therapy Assistant**
  - **Occupational Therapy Assistant**

## Levels of Need

CMS allows states to establish different rates for the same service in the waiver, for individuals who have different levels of need, to ensure that providers are being reasonably compensated. DDSD's current levels of need at minimum align with CMS requirements. In addition, DDSD has this in place for congregate residential settings in the DD Waiver (which fall under the residential habilitation service). However, tiered reimbursement does not exist for the Family Living option/non-congregate setting.

PCG recommends that DDSD explore the possibility of providing tiered rates for individuals using the Family Service option. In order to do this, DDSD should review the methodology used to implement tiered rates in Supported Living Services to determine if the same methodology can be applied. If not, PCG recommends DDSD review how needs are currently assessed and establish a valid and reliable method for assessing needs and using that data to align with rates.

A fundamental building block to a tiered rate methodology that meets federal standards is high quality data, with small error rates, that is consistently captured over a lengthy period of time. High quality data starts with a well-developed, standardized assessment. This assessment must be thorough and accurately reflect the needs of the individual.

PCG also noted that all of DDSD's other rates for other services that are not tiered are time-based at a 15-minute unit. Assuming individuals with higher support needs receive services for a longer period of time than those with lower support needs, the time-based rates are already structured to adequately reimburse providers for the costs per individual.

## Units of Service

CMS' approved methodology entails that units of service are identified for each service, all units are descriptive in nature, and accurately reflect the service timeframe. DDSD's current units of service at minimum align with CMS requirements. PCG included the below for DDSD's reference that are considered best practices from other states:

- **Assistive Technology Purchasing Agent and Technology for Safety and Independence:** convert unit of service from 15% of the purchase price unit of service to a 15-minute unit of service as recommended by the technology task force. This change in methodology will ensure that providers are adequately reimbursed for their efforts, whereas currently a high-cost item that is low effort may result in higher payment than a low-cost item that is higher effort to purchase. DDSD should also consider converting all other waiver service units of service that currently bill on a percentage to a time-based rate (e.g., independent living transition that currently bills at 15% and fiscal management of adult education opportunities that bills at 10%) the next time these services are reviewed.
- **Home Maker/Direct Supports:** convert the unit of service from an hour to a 15-minute unit of service to allow for more targeted billing that awards efficiency and is more reflective of the variability of the time needed to complete the tasks contained in this service. This conversion will also promote standardization among like services.
- **Home Health Aide:** convert the Medically Fragile Home Health Aide unit of service from an hour to a 15-minute unit of service to allow for more targeting billing that awards efficiency and is more reflective of the variability of the time needed to complete the tasks contained in this service. This conversion will also promote standardization among like services.

## Simplifying Service Codes

While PCG reviewed the service codes for the services included in the rate study, our scope did not include a review of all services and their associated codes. To simplify the system and improve the accuracy of data and reporting, PCG recommends that DDSD conduct a thorough review of all service codes to identify those no longer in use and those that overlap or duplicate another service. The Current Procedural Terminology and Healthcare Common Procedure Coding System codes identify all the items and services included in designated healthcare services categories. DDSD should use these coding systems to determine if codes can be merged and to ensure

the right codes are used for the right services. If a code is being used that is no longer necessary, that code should be removed from the system (e.g., the Jackson Class modifiers).

### ***Assistive Technology/Technology for Safety and Independence***

PCG recommends that DDSD increase their upper limit for the assistive technology service to at least \$2,000, to enable greater access to technology and align with peer states. PCG also recommends that DDSD modify the assistive technology purchasing agent unit to be time-based. This approach will ensure purchasing agents are compensated for the time spent on purchasing, including time spent after the purchase is completed, without requiring the provider to cover upfront expenditures.

DDSD should also consider converting the eligibility refresh limit from one purchase once every ISP/SSP period (12 months) to one purchase every two years (24 months), or one purchase during the lifetime of the waiver (60 months) and then compounding the service amount accordingly as a cost neutral approach to maximize an individual's purchasing power. DDSD can look to Tennessee's model whose upper limit is \$10,000 every two years, Colorado's model whose upper limit is \$10,000 every five years, and North Dakota's model whose upper limit is \$15,000 every five years for their combined assisted technology service and purchasing agent service.

### ***Employer of Record***

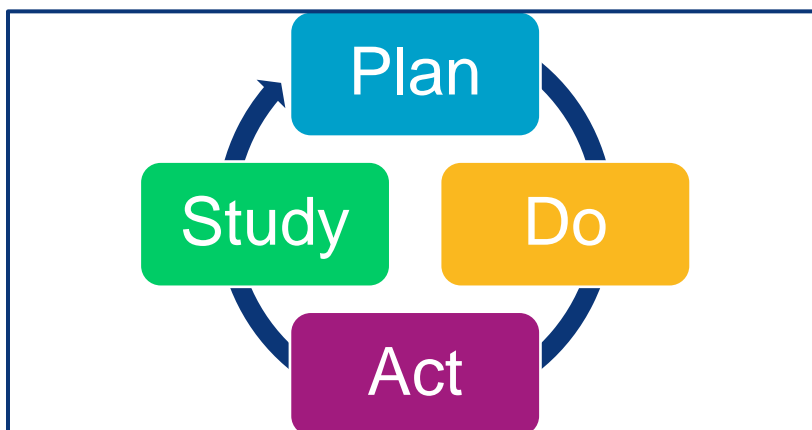
PCG developed a rate for the employer of record service, which can be reviewed in the Rate Development section of this report. As this is a newly defined service not yet added to the waiver and there is no cost or time study data associated with it, PCG developed a rate based on a 15-minute unit. PCG recommends that DDSD collect time study data on this service once the service is in effect and at DDSD's next rate study, to determine if this unit of reimbursement continues to make sense and work or if another unit should be implemented, such as a daily or monthly rate unit.

### ***Method to Assess the Quality of Services***

PCG recommends that DDSD establish a definition of "quality" that will support the development of a process to assess it. PCG recommends DDSD engage with stakeholders as a first step to defining quality. This will be important in developing or identifying the ways in which quality will be assessed. DDSD should implement continuous quality improvement (CQI) using the four steps for CQI:

1. Plan – Propose the experiment
2. Do – Prepare to and implement the improvement plan; collect data
3. Study – Track and analyze results; share results; identify if adjustments need to be made
4. Act – Implement practices that were successful; make adjustments; determine what more needs to be done

**FIGURE 15. CQI PROCESS**



At minimum, PCG recommends that DDSD also review their performance measures related to the required waiver assurances in the waivers to determine if changes need to support the assessment of quality.

## ***Value Based Payment and/or Wage Pass Through***

Value based payments and wage pass throughs are increasing in their use for HCBS waivers and services. Prior to implementing one or both methods, DDSD should identify what its goals and priorities are for their waivers. DDSD should also identify what the problem(s) is(are) to determine which method(s) to implement.

Value based payments are used to improve the quality, efficiency, and overall value of a service. Should DDSD decide to implement value-based payments, PCG recommends following the CMS process, which include the following steps:

1. Identify DDSD's need(s).
2. Design goals and incentives that address the need(s).
3. Implement the incentive plan.
4. Engage with stakeholders to realign goals.

Continuous stakeholder engagement will be necessary in all four steps, to ensure the right needs are being addressed and that the goals are achievable.

Unlike value-based payments, wage pass throughs have a sole focus on the direct care workforce. These rate increases are designed specifically to recruit and retain staff. PCG recommends that DDSD study the feasibility of implementing wage pass throughs along with identifying the specific uses for the increased rate. DDSD should also develop reporting mechanisms to monitor and track how providers are spending the increased funding. In addition, DDSD should monitor the CMS Notice of Proposed Rule Making to see what the final rule language will require as it relates to percentage of payments that must go to direct care staff. While the rule is not final, it is likely that some version of this will become final. DDSD can be prepared for this by developing its reporting measures in advance.

## V. ACKNOWLEDGEMENTS

Public Consulting Group (PCG) would like to thank the many individuals and agencies that contributed to this report. PCG greatly appreciates the time and effort that Leadership and staff from the New Mexico Department of Health, Developmental Disabilities Supports Division and the Human Services Department, Medical Assistance Division, invested towards this project. Also, thanks to the Advisory Council on Quality Supports for Individuals with Developmental Disabilities and Their Families (ACQ) Rate Study Subcommittee stakeholder group that provided invaluable input as well as all the Home and Community Based Services provider agencies that participated in submitting data.

## APPENDIX A: HOME AND COMMUNITY BASED SERVICES (HCBS) DISCIPLINE AND BUREAU OF LABOR STATISTICS (BLS) PROXY POSITION

HCBS Discipline	BLS Proxy Position(s)
<b>Behavior Support Consultant</b>	Clinical and Counseling Psychologists Healthcare Social Worker Psychologists - All Other
<b>Case Manager</b>	Healthcare Social Worker Community and Social Service Specialist - All Other
<b>Community Direct Support/In-Home Living Provider</b>	Community and Social Service Specialist - All Other Home Health/Personal Care Aide Social and Human Service Assistant
<b>Consultant</b>	Healthcare Social Worker Community and Social Service Specialist - All Other
<b>Direct Care Staff/Direct Support Professional</b>	Community and Social Service Specialist - All Other Home Health/Personal Care Aide Social and Human Service Assistant
<b>Employer of Record</b>	HR Specialist
<b>Employment Specialist</b>	Social and Human Service Assistant Community and Social Service Specialist - All Other
<b>Family Living Provider/Substitute Care Provider</b>	Community and Social Service Specialist - All Other Home Health/Personal Care Aide Social and Human Service Assistant
<b>Licensed Practical Nurse</b>	Licensed Practical Nurse
<b>Occupational Therapist</b>	Occupational Therapist
<b>Occupational Therapy Assistant</b>	Certified Occupational Therapist Assistant
<b>Physical Therapist</b>	Physical Therapist
<b>Physical Therapy Assistant</b>	Physical Therapist Assistant
<b>Registered Nurse</b>	Registered Nurse
<b>Respite Provider</b>	Home Health/Personal Care Aide Social and Human Service Assistant
<b>Speech-Language Pathologist/Speech Therapist</b>	Speech-Language Pathologist
<b>Nurse Manager</b>	Registered Nurse Medical and Health Services Manager Healthcare Social Worker
<b>Socialization and Sexuality Educator</b>	Clinical and Counseling Psychologists Healthcare Social Worker Psychologists - All Other Registered Nurse Health Education Specialist Community and Social Service Specialist - All Other Home Health/Personal Care Aide Social and Human Service Assistant

*Note: Some proxies are listed more than once if they map to multiple disciplines.*

## APPENDIX B: DEVELOPMENTAL DISABILITIES WAIVER RATE TABLES

<b>Behavioral Support Consultation</b>	
Position used for Wage: <i>Behavior Support Consultant</i>	
Annual Salary	\$ 86,181.33
Hourly (2,080)	\$ 41.43
ERE/Benefits	\$ 9.84
EMPLOYEE TOTAL	\$28.01
HCBS Subcontractor	\$ 14.86
Total Hourly Personnel Cost	\$ 42.87
Admin + Program Support	\$ 19.47
RATE	\$ 62.34
Billable/Non-Billable Consideration	\$ 115.45
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 118.28
15 Min Rate	\$ 29.57
15 Min Rate (Incentive)	\$ 38.14
Current Rate	\$ 24.39
Current Rate Incentive Rate	\$ 31.46
Increase	21%

<b>Case Management, On-Going</b>	
Position used for Wage: <i>Case Manager</i>	
Annual Salary	\$ 51,656.80
Hourly (2,080)	\$ 24.84
ERE/Benefits	\$ 5.90
EMPLOYEE TOTAL	\$16.79
HCBS Subcontractor	\$ 11.21
Total Hourly Personnel Cost	\$ 28.00
Admin + Program Support	\$ 12.72
RATE	\$ 40.72
Billable/Non-Billable Consideration	\$ 58.16
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 61.00
Monthly Rate	\$ 352.46
Current Rate	\$ 314.35
Increase	12%



<b>Customized Community Support, Individual</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 43.65
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 46.49
15 Min Rate	\$ 11.62
Current Rate	\$ 8.86
Increase	31%

<b>Customized Community Support, Group Category 1</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 42.10
Mileage	\$ 2.84
Bundled Nursing Component	\$ 1.79
TOTAL HOURLY RATE	\$ 44.93
15 Min Rate	\$ 11.23
15 Min Group Rate	\$ 2.81
Current Rate	\$ 2.68
Increase	5%

<b>Customized Community Support, Group Category 2 Extensive Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
<b>EMPLOYEE TOTAL</b>	<b>\$ 11.56</b>
HCBS Subcontractor	\$ 7.62
<b>Total Hourly Personnel Cost</b>	<b>\$ 19.18</b>
Admin + Program Support	\$ 8.71
<b>RATE</b>	<b>\$ 27.89</b>
Billable/Non-Billable Consideration	\$ 42.10
Mileage	\$ 2.84
Bundled Nursing Component	\$ 6.23
<b>TOTAL HOURLY RATE</b>	<b>\$ 51.16</b>
15 Min Rate	\$ 12.79
15 Min Group Rate	\$ 6.40
Current Rate	\$ 5.21
Increase	23%

<b>Customized Community Support, Small Group</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 42.10
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 44.93
15 Min Rate	\$ 11.46
15 Min Group Rate	\$ 5.73
Current Rate	\$ 5.73
Increase	0%

<b>Customized In-Home Supports, Living with Family or Natural Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.96
15 Min Rate	\$ 7.99
Current Rate	\$ 7.99
Increase	0%

<b>Customized In-Home Supports, Living Independently</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.96
15 Min Rate	\$ 7.99
Current Rate	\$ 7.99
Increase	0%

<b>Family Living</b>	
Position used for Wage: <i>Family Living Provider</i>	
Annual Salary	N/A (using Subcontractor only)
HCBS Subcontractor	\$ 3.98
Total Hourly Personnel Cost	\$ 3.98
Admin + Program Support	\$ 1.81
RATE	\$ 5.79
Billable/Non-Billable Consideration	\$ 7.51
TOTAL HOURLY RATE	\$ 7.51
Nutritional Counseling	\$ 1.16
Daily Rate	\$ 181.39
Current Rate	\$ 152.96
Increase	19%

<b>Supported Living Category 1 Basic Support</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.50
Daily Rate	\$ 199.49
Bundled Nursing Component	\$ 5.30
Bundled On-Call Component	\$ 1.57
Bundled Nutritional Component	\$ 1.16
Total Daily Rate	\$ 210.35
Current Rate	\$ 210.35
Increase	0%

<b>Supported Living Category 2 Moderate Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.50
Daily Rate	\$ 230.98
Bundled Nursing Component	\$ 24.10
Bundled On-Call Component	\$ 1.58
Bundled Nutritional Component	\$ 1.16
Total Daily Rate	\$ 258.69
Current Rate	\$ 258.69
Increase	0%

<b>Supported Living Category 3 Extensive Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.50
Daily Rate	\$ 293.98
Bundled Nursing Component	\$ 42.86
Bundled On-Call Component	\$ 1.59
Bundled Nutritional Component	\$ 1.16
Total Daily Rate	\$ 339.59
Current Rate	\$ 339.09
Increase	0%

<b>Supported Living Category 4 Extraordinary Medical/Behavioral Support</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,581.87
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.06
EMPLOYEE TOTAL	\$ 11.56
HCBS Subcontractor	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18
Admin + Program Support	\$ 8.71
RATE	\$ 27.89
Billable/Non-Billable Consideration	\$ 31.50
TOTAL HOURLY RATE	\$ 31.50
Daily Rate	\$ 356.97
Bundled Nursing Component	\$ 80.50
Bundled On-Call Component	\$ 1.61
Bundled Nutritional Component	\$ 1.16
Total Daily Rate	\$ 440.25
Current Rate	\$ 435.81
Increase	1%

<b>Adult Nursing Services, Registered Nurse (RN)</b>	
Position used for Wage: <i>RN</i>	
Annual Salary	\$ 82,612.17
Hourly (2,080)	\$ 39.72
ERE/Benefits	\$ 9.44
EMPLOYEE TOTAL	\$49.15
Total Hourly Personnel Cost	\$ 49.15
Admin + Program Support	\$ 22.32
RATE	\$ 71.47
Billable/Non-Billable Consideration	\$ 109.96
Mileage	\$2. 84
TOTAL HOURLY RATE	\$ 112.80
15 Min Rate	\$ 28.20
Current Rate	\$ 24.36
Increase	16%

<b>Adult Nursing Services, Licensed Practical Nurse (LPN)</b>	
Position used for Wage: <i>LPN</i>	
Annual Salary	\$ 54,870.40
Hourly (2,080)	\$ 26.38
ERE/Benefits	\$ 6.27
EMPLOYEE TOTAL	\$ 32.65
Total Hourly Personnel Cost	\$ 32.65
Admin + Program Support	\$ 14.83
RATE	\$ 47.47
Billable/Non-Billable Consideration	\$ 73.04
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 75.87
15 Min Rate	\$ 18.97
Current Rate	\$ 16.59
Increase	14%

<b>Respite</b>	
Position used for Wage: <i>Respite Provider</i>	
Annual Salary	\$ 33,488.00
Hourly (2,080)	\$ 16.10
ERE/Benefits	\$ 3.83
<b>EMPLOYEE TOTAL</b>	<b>\$ 10.88</b>
HCBS Subcontractor	\$ 5.33
<b>Total Hourly Personnel Cost</b>	<b>\$ 16.22</b>
Admin + Program Support	\$ 7.36
<b>RATE</b>	<b>\$ 23.58</b>
Billable/Non-Billable Consideration	\$ 25.47
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 28.30</b>
15 Min Rate	\$ 7.08
Current Rate	\$ 4.82
Increase	47%

<b>Occupational Therapy</b>	
Position used for Wage: <i>Occupational Therapist</i>	
Annual Salary	\$ 93,724.80
Hourly (2,080)	\$ 45.06
ERE/Benefits	\$ 10.71
<b>EMPLOYEE TOTAL</b>	<b>\$ 37.18</b>
HCBS Subcontractor	\$ 21.78
<b>Total Hourly Personnel Cost</b>	<b>\$ 58.96</b>
Admin + Program Support	\$ 26.77
<b>RATE</b>	<b>\$ 85.73</b>
Billable/Non-Billable Consideration	\$ 151.89
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 154.73</b>
15 Min Rate	\$ 38.68
15 Min Rate (Incentive)	\$ 49.32
Current Rate	\$ 34.93
Current Rate Incentive Rate	\$ 44.54
Increase	11%
Incentive Increase	11%



<b>Occupational Therapy Assistant</b>	
Position used for Wage: <i>Occupational Therapy Assistant</i>	
Annual Salary	\$ 65,062.40
Hourly (2,080)	\$ 31.28
ERE/Benefits	\$ 7.43
<b>EMPLOYEE TOTAL</b>	<b>\$ 38.71</b>
Total Hourly Personnel Cost	\$ 38.71
Admin + Program Support	\$ 17.58
<b>RATE</b>	<b>\$ 56.29</b>
Billable/Non-Billable Consideration	\$ 99.73
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 102.56</b>
15 Min Rate	\$ 25.64
15 Min Rate (Incentive)	\$ 33.64
Current Rate	\$ 23.78
Current Rate Incentive Rate	\$ 31.20
Increase	8%
Incentive Increase	8%

<b>Physical Therapy</b>	
Position used for Wage: <i>Physical Therapist</i>	
Annual Salary	\$ 111,341.77
Hourly (2,080)	\$ 53.53
ERE/Benefits	\$ 18.40
EMPLOYEE TOTAL	\$ 38.71
HCBS Subcontractor	\$ 58.89
Total Hourly Personnel Cost	\$ 77.30
Admin + Program Support	\$ 35.10
RATE	\$ 112.40
Billable/Non-Billable Consideration	\$ 186.18
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 189.01
15 Min Rate	\$ 47.25
15 Min Rate (Incentive)	\$ 60.25
Current Rate	\$ 34.93
Current Rate Incentive Rate	\$ 44.54
Increase	35%
Incentive Increase	35%

<b>Physical Therapy Assistant</b>	
Position used for Wage: <i>Physical Therapy Assistant</i>	
Annual Salary	\$ 59,716.80
Hourly (2,080)	\$ 28.71
ERE/Benefits	\$ 6.82
EMPLOYEE TOTAL	\$ 15.23
HCBS Subcontractor	\$ 26.33
Total Hourly Personnel Cost	\$ 41.56
Admin + Program Support	\$ 18.87
RATE	\$ 60.43
Billable/Non-Billable Consideration	\$ 103.15
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 105.98
15 Min Rate	\$ 26.50
15 Min Rate (Incentive)	\$ 34.76
Current Rate	\$ 23.78
Current Rate Incentive Rate	\$ 31.20
Increase	11%
Incentive Increase	11%

<b>Speech, Language Pathology</b>	
Position used for Wage: <i>Speech Language Pathologist/Speech Therapist</i>	
Annual Salary	\$ 100,366.37
Hourly (2,080)	\$ 48.25
ERE/Benefits	\$ 11.46
EMPLOYEE TOTAL	\$ 40.45
HCBS Subcontractor	\$ 26.93
Total Hourly Personnel Cost	\$ 67.38
Admin + Program Support	\$ 30.60
RATE	\$ 97.98
Billable/Non-Billable Consideration	\$ 182.55
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 185.39
15 Min Rate	\$ 46.35
15 Min Rate (Incentive)	\$ 59.10
Current Rate	\$ 34.93
Current Rate Incentive Rate	\$ 44.54
Increase	33%
Incentive Increase	33%

<b>Community Integrated Employment Job Maintenance</b>	
Position used for Wage: <i>Employment Specialist</i>	
Annual Salary	\$ 42,952.00
Hourly (2,080)	\$ 20.65
ERE/Benefits	\$ 4.91
EMPLOYEE TOTAL	\$ 25.56
Total Hourly Personnel Cost	\$ 25.56
Admin + Program Support	\$ 11.61
RATE	\$ 37.16
Billable/Non-Billable Consideration	\$ 56.08
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 58.92
Monthly Rate	\$ 1,296.20
Current Rate	\$ 951.66
Increase	36%

<b>Assistive Tech Purchasing Agent</b>	
Position used for Wage: <i>Occupational Therapy Assistant, Physical Therapy Assistant, Case Manager, Consultant</i>	
Annual Salary	\$ 71,053.26
Hourly (2,080)	\$ 34.16
ERE/Benefits	\$ 8.12
EMPLOYEE TOTAL	\$ 23.09
HCBS Subcontractor	\$ 15.46
Total Hourly Personnel Cost	\$ 38.55
Admin + Program Support	\$ 17.51
RATE	\$ 56.06
Billable/Non-Billable Consideration	\$ 72.67
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 75.51
15 Min Rate	\$ 18.88

<b>Socialization and Sexuality Education</b>	
Position used for Wage: <i>Socialization and Sexuality Educator</i>	
Annual Salary	\$ 61,713.60
Hourly (2,080)	\$ 29.67
ERE/Benefits	\$ 7.05
EMPLOYEE TOTAL	\$ 36.72
Total Hourly Personnel Cost	\$ 36.72
Admin + Program Support	\$ 16.67
RATE	\$ 53.39
Billable/Non-Billable Consideration	\$ 82.14
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 84.98
Rate (Each)	\$ 509.88
15 Min Rate (Incentive)	\$ 1019.75
Current Rate	\$ 354.00
Current Rate Incentive Rate	\$ 708.00
Increase	44%
Incentive Increase	44%

<b>Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans</b>	
Position used for Wage: <i>Occupational Therapy Assistant, Physical Therapy Assistant, Case Manager, Consultant</i>	
Annual Salary	\$ 71, 053.26
Hourly (2,080)	\$ 34.16
ERE/Benefits	\$ 8.12
EMPLOYEE TOTAL	\$ 23.09
HCBS Subcontractor	\$ 15.46
Total Hourly Personnel Cost	\$ 38.55
Admin + Program Support	\$ 17.51
RATE	\$ 56.06
Billable/Non-Billable Consideration	\$ 72.67
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 75.51
15 Min Rate	\$ 18.88

<b>Vendor/Call Center for Remote Support</b>	
Position used for Wage: <i>Customer Support</i>	
Annual Salary	\$ 37,544.00
Hourly (2,080)	\$ 18.05
ERE/Benefits	\$ 4.29
EMPLOYEE TOTAL	\$ 12.20
HCBS Subcontractor	\$ 6.56
Total Hourly Personnel Cost	\$ 18.76
Admin + Program Support	\$ 8.52
RATE	\$ 27.28
Billable/Non-Billable Consideration	\$ 11.04
TOTAL HOURLY RATE	\$ 38.32
15 Min Rate	\$ 9.58

## APPENDIX C: MEDICALLY FRAGILE WAIVER RATE TABLES

<b>Case Management Ongoing Medically Fragile</b>	
Position used for Wage: <i>Nurse Manager</i>	
Annual Salary	\$ 86,694.40
Hourly (2,080)	\$ 41.68
ERE/Benefits	\$ 9.90
EMPLOYEE TOTAL	\$51.58
Total Hourly Personnel Cost	\$ 51.58
Admin + Program Support	\$ 23.42
RATE	\$ 75.01
Billable/Non-Billable Consideration	\$ 107.15
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 109.99
Monthly Rate	\$ 635.51
Current Rate	\$ 581.94
Increase	9%

<b>Private Duty Nursing – Registered Nurse (RN) and RN Respite Services</b>	
Position used for Wage: <i>RN</i>	
Annual Salary	\$ 82,612.17
Hourly (2,080)	\$ 39.72
ERE/Benefits	\$ 9.44
EMPLOYEE TOTAL	\$49.15
Total Hourly Personnel Cost	\$ 49.15
Admin + Program Support	\$ 22.32
RATE	\$ 71.47
Billable/Non-Billable Consideration	\$ 109.96
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 112.80
15 Min Rate	\$ 28.20
Current Rate	\$ 24.36
Increase	16%

<b>Private Duty Nursing – Licensed Practical Nurse (LPN) and Respite - LPN</b>	
Position used for Wage: <i>LPN</i>	
Annual Salary	\$ 54,870.40
Hourly (2,080)	\$ 26.38
ERE/Benefits	\$ 6.27
<b>EMPLOYEE TOTAL</b>	<b>\$32.65</b>
Total Hourly Personnel Cost	\$ 32.65
Admin + Program Support	\$ 14.83
<b>RATE</b>	<b>\$ 47.47</b>
Billable/Non-Billable Consideration	\$ 73.04
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 75.87</b>
15 Min Rate	\$ 18.97
Current Rate	\$ 16.59
Increase	14%

<b>Home Health Aide</b>	
Position used for Wage: <i>Home Health/Personal Care Aide</i>	
Annual Salary	\$ 29,182.40
Hourly (2,080)	\$ 14.03
ERE/Benefits	\$ 3.33
<b>EMPLOYEE TOTAL</b>	<b>\$ 9.48</b>
HCBS Subcontractor	\$ 12.41
Total Hourly Personnel Cost	\$ 21.90
Admin + Program Support	\$ 9.94
<b>RATE</b>	<b>\$ 31.84</b>
Billable/Non-Billable Consideration	\$ 40.09
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 42.93</b>
Current Rate	\$ 30.46
Increase	41%

<b>Respite Home Health Aide</b>	
Position used for Wage: <i>Home Health/Personal Care Aide</i>	
Annual Salary	\$ 29,182.40
Hourly (2,080)	\$ 14.03
ERE/Benefits	\$ 3.33
<b>EMPLOYEE TOTAL</b>	<b>\$ 9.48</b>
HCBS Subcontractor	\$ 12.41
<b>Total Hourly Personnel Cost</b>	<b>\$ 21.90</b>
Admin + Program Support	\$ 9.94
<b>RATE</b>	<b>\$ 31.84</b>
Billable/Non-Billable Consideration	\$ 40.09
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 42.93</b>
Current Rate	\$ 30.46
Increase	41%



## APPENDIX D: MI VIA WAIVER RATE TABLES

The tables below only include current maximums for reference. Also, this appendix does not include a rate table for Transportation Mile, as PCG is recommending the federal transportation mile (\$0.66/mile).

<b>Behavioral Support Consultation</b>	
Position used for Wage: <i>Behavior Support Consultant</i>	
Annual Salary	\$ 86,181.33
Hourly (2,080)	\$ 41.43
ERE/Benefits	\$ 9.84
<b>EMPLOYEE TOTAL</b>	<b>\$28.01</b>
HCBS Subcontractor	\$ 14.86
Total Hourly Personnel Cost	\$ 42.87
Admin + Program Support	\$ 19.47
<b>RATE</b>	<b>\$ 62.34</b>
Billable/Non-Billable Consideration	\$ 115.45
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 118.28</b>
15 Min Rate (Min)	\$ 20.97
15 Min Rate (Max)	\$ 29.57
Current Rate (Max)	\$ 20.65
Increase % (Max)	21%

<b>Consultant Services</b>	
Position used for Wage: <i>Consultant</i>	
Annual Salary	\$ 51,667.20
Hourly (2,080)	\$ 24.84
ERE/Benefits	\$ 5.90
Total Hourly Personnel Cost	\$ 30.74
Admin + Program Support	\$ 27.91
<b>RATE</b>	<b>\$ 58.65</b>
Billable/Non-Billable Consideration	\$ 63.86
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 66.69</b>
Monthly Rate	\$ 385.36
Current Rate	\$ 313.93
Increase %	23%

Community Direct Support	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,588.80
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.07
Total Hourly Personnel Cost	\$ 21.18
Admin + Program Support	\$ 9.62
RATE	\$ 30.80
Billable/Non-Billable Consideration	\$ 48.19
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 51.03
15 Min Rate	\$ 12.76
Current Rate	\$ 15.48
Increase %	-18%

**Note:** This rate is lower than the current fee schedule rate. DDSD does not intend to reduce any rates. The rate will remain flat, as PCG recommends holding this rate at the current level to prevent provider loss.

Customized Community Group Supports	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,588.80
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.07
Total Hourly Personnel Cost	\$ 21.18
Admin + Program Support	\$ 9.62
RATE	\$ 30.80
Billable/Non-Billable Consideration	\$ 46.47
Mileage	\$ 2.84
Bundled Nursing Component	\$ 1.79
TOTAL HOURLY RATE	\$ 49.31
15 Min Rate (Min)	\$ 2.56
15 Min Rate (Max)	\$ 12.33
15 Min Group Rate (Max)	\$ 3.08
Current Rate (Max)	\$ 8.82
Increase % (Max)	-65%

**Note:** This rate is lower than the current fee schedule rate. DDSD does not intend to reduce any rates. The rate will remain flat, as PCG recommends holding this rate at the current level to prevent provider loss.

<b>In-Home Living Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,588.80
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.07
Total Hourly Personnel Cost	\$ 21.18
Admin + Program Support	\$ 9.62
RATE	\$ 30.80
Billable/Non-Billable Consideration	\$ 34.77
TOTAL HOURLY RATE	\$ 34.77
Daily Rate (Max)	\$ 181.38
Daily Rate (Min)	\$ 29.69
Current Rate (Max)	\$ 150.26
Increase % (Max)	17%

<b>Homemaker/Direct Supports</b>	
Position used for Wage: <i>Direct Care Staff/Direct Support Professional</i>	
Annual Salary	\$ 35,588.80
Hourly (2,080)	\$ 17.11
ERE/Benefits	\$ 4.07
Total Hourly Personnel Cost	\$ 21.18
Admin + Program Support	\$ 9.62
RATE	\$ 30.79
Billable/Non-Billable Consideration	\$ 34.77
TOTAL HOURLY RATE	\$ 34.77
15 Min Rate (Min)	\$ 7.50
15 Min Rate (Max)	\$ 8.69
Current Rate (Max)	\$ 14.60
Current Rate (Max)	\$ 8.82
Increase % (Max)	-49%

**Note:** This rate is lower than the current fee schedule rate. DDSD does not intend to reduce any rates. The rate will remain flat, as PCG recommends holding this rate at the current level to prevent provider loss.

<b>Private Duty Nursing – Adults Registered Nurse (RN)</b>	
Position used for Wage: <i>RN</i>	
Annual Salary	\$ 82,612.17
Hourly (2,080)	\$ 39.72
ERE/Benefits	\$ 9.44
Total Hourly Personnel Cost	\$ 49.15
Admin + Program Support	\$ 22.32
<b>RATE</b>	<b>\$ 71.47</b>
Billable/Non-Billable Consideration	\$ 109.96
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 112.80</b>
15 Min Rate	\$ 28.20
Current Rate	\$ 10.90
Increase %	159%

<b>Respite Standard</b>	
Position used for Wage: <i>Respite Provider</i>	
Annual Salary	\$ 29,182.40
Hourly (2,080)	\$ 14.03
ERE/Benefits	\$ 3.33
Total Hourly Personnel Cost	\$ 17.36
Admin + Program Support	\$ 7.88
<b>RATE</b>	<b>\$ 25.25</b>
Billable/Non-Billable Consideration	\$ 27.27
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 30.11</b>
15 Min Rate	\$ 7.53
Current Rate	\$ 3.38
Increase %	123%

<b>Occupational Therapy</b>	
Position used for Wage: <i>Occupational Therapist</i>	
Annual Salary	\$ 93,724.80
Hourly (2,080)	\$ 45.06
ERE/Benefits	\$ 10.71
EMPLOYEE TOTAL	\$ 37.18
HCBS Subcontractor	\$ 21.78
Total Hourly Personnel Cost	\$ 58.96
Admin + Program Support	\$ 26.77
RATE	\$ 85.73
Billable/Non-Billable Consideration	\$ 151.89
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 154.73
15 Min Rate (Min)	\$ 12.74
15 Min Rate (Max)	\$ 38.68
Current Rate (Max)	\$ 23.71
Increase % (Max)	63%

<b>Physical Therapy</b>	
Position used for Wage: <i>Physical Therapist</i>	
Annual Salary	\$ 111,341.77
Hourly (2,080)	\$ 53.53
ERE/Benefits	\$ 12.72
EMPLOYEE TOTAL	\$ 18.40
HCBS Subcontractor	\$ 58.89
Total Hourly Personnel Cost	\$ 77.30
Admin + Program Support	\$ 35.10
RATE	\$ 112.40
Billable/Non-Billable Consideration	\$ 186.18
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 189.01
15 Min Rate (Minimum)	\$ 13.51
15 Min Rate (Maximum)	\$ 47.25
Current Rate (Maximum)	\$ 24.22
Increase Rate (Max)	95%

<b>Speech, Language Pathology</b>	
Position used for Wage: <i>Speech Language Pathologist/Speech Therapist</i>	
Annual Salary	\$ 100,366.37
Hourly (2,080)	\$ 48.25
ERE/Benefits	\$ 11.46
<b>EMPLOYEE TOTAL</b>	<b>\$ 40.45</b>
HCBS Subcontractor	\$ 26.93
Total Hourly Personnel Cost	\$ 67.38
Admin + Program Support	\$ 30.60
<b>RATE</b>	<b>\$ 97.98</b>
Billable/Non-Billable Consideration	\$ 182.55
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 185.39</b>
15 Min Rate (Min)	\$ 16.06
15 Min Rate (Max)	\$ 46.35
Current Rate (Max)	\$ 24.22
Increase % (Max)	91%

<b>Technology for Safety and Independence</b>	
Position used for Wage: <i>Occupational Therapy Assistant, Physical Therapy Assistant, Case Manager, Consultant</i>	
Annual Salary	\$ 71,053.26
Hourly (2,080)	\$ 34.16
ERE/Benefits	\$ 8.12
<b>EMPLOYEE TOTAL</b>	<b>\$23.09</b>
HCBS Subcontractor	\$ 15.46
Total Hourly Personnel Cost	\$ 38.55
Admin + Program Support	\$ 17.51
<b>RATE</b>	<b>\$ 56.06</b>
Billable/Non-Billable Consideration	\$ 72.67
Mileage	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 75.51</b>
15 Min Rate (Min)	\$ 8.89
15 Min Rate (Max)	\$ 18.88
Current Rate (Max)	N/A
Increase %	N/A

<b>Employer of Record</b>	
Position used for Wage: <i>Human Resource Specialist</i>	
Annual Salary	\$ 42, 952
Hourly (2,080)	\$ 20.65
ERE/Benefits	\$ 4.91
EMPLOYEE TOTAL	\$25.56
Total Hourly Personnel Cost	\$ 25.56
Admin + Program Support	\$ 11.61
RATE	\$ 37.16
Billable/Non-Billable Consideration	\$ 37.16
TOTAL HOURLY RATE	\$37.16
15 Min Rate (Minimum)	\$ 6.31
15 Min Rate (Maximum)	\$ 9.29
Current Rate	N/A
Increase	N/A

<b>Assessment of, Developing, and Authorizing Person-Centered Enabling Technology Integration Plans</b>	
Position used for Wage: <i>Occupational Therapy Assistant, Physical Therapy Assistant, Case Manager, Consultant</i>	
Annual Salary	\$ 71, 053.26
Hourly (2,080)	\$ 34.16
ERE/Benefits	\$ 8.12
EMPLOYEE TOTAL	\$ 23.09
HCBS Subcontractor	\$ 15.46
Total Hourly Personnel Cost	\$ 38.55
Admin + Program Support	\$ 17,51
RATE	\$ 56.06
Billable/Non-Billable Consideration	\$ 72.67
Mileage	\$ 2.84
TOTAL HOURLY RATE	\$ 75.51
15 Min Rate (Min)	\$ 8.89
15 Min Rate (Max)	\$ 18.88
Current Rate (Max)	N/A
Increase % (Max)	N/A

<b>Vendor/Call Center for Remote Support</b>	
Position used for Wage: <i>Customer Support</i>	
Annual Salary	\$ 37,544.00
Hourly (2,080)	\$ 18.05
ERE/Benefits	\$ 4.29
EMPLOYEE TOTAL	\$ 12.20
HCBS Subcontractor	\$ 6.56
Total Hourly Personnel Cost	\$ 18.76
Admin + Program Support	\$ 8.52
RATE	\$ 27.28
Billable/Non-Billable Consideration	\$ 11.04
TOTAL HOURLY RATE	\$ 38.32
15 Min Rate (Min)	\$ 8.19
15 Min Rate (Max)	\$ 9.58
Current Rate	N/A
Increase %	N/A



## APPENDIX E: MI VIA WAIVER COMPARABLE SERVICES IN DEVELOPMENTAL DISABILITIES WAIVER

This table lists comparable services between the Developmental Disabilities Waiver and the Mi Via Waiver. These comparable services were used to calculate the Mi Via rate ranges.

Developmental Disabilities		Mi Via	
Service	Time	Service	Time
Behavioral Support Consultation, Standard	15 Min	Behavioral Support Consultant	15 Min
Behavioral Support Consultation, Incentive			
Case Management, On-Going	Month	Consultant Services	Month
Customized Community Support, Individual	15 Min	Community Direct Support	15 Min
Customized Community Support, Group Category 1	15 Min 15 Min	Customized Community Group Supports	15 Min
Customized Community Support, Group Category 2, Extensive Support	15 Min		
Customized Community Support, Small Group			
Customized In-Home Supports, Living w/ Family or Natural Supports	15 Min	Homemaker/Direct Supports	Hour
Customized In-Home Supports, Living Independently	15 Min		
Family Living	Day	In-Home Living Supports	Day
Supported Living, Category 1, Basic Support	Day		
Supported Living, Category 2, Moderate Supports	Day		
Supported Living, Category 3, Extensive Supports	Day		
Supported Living, Category 4, Extraordinary Medical/Behavioral Supports	Day		
Adult Nursing Services, Registered Nurse	15 Min	Private Duty Nursing – Adults Registered Nurse	15 Min
Adult Nursing Services, Licensed Practical Nurse	15 Min		
Respite	15 Min	Respite Standard	15 Min
Occupational Therapy, Standard	15 Min	Occupational Therapy	15 Min
Occupational Therapy, Incentive	15 Min		
Occupational Therapy Assistant, Standard	15 Min		

Occupational Therapy Assistant, Certified Incentive	15 Min		
Physical Therapy, Standard	15 Min	Physical Therapy	15 Min
Physical Therapy, Incentive	15 Min		
Physical Therapy Assistant, Standard	15 Min		
Physical Therapy Assistant, Incentive	15 Min		
Speech, Language Pathology, Standard	15 Min	Speech/Language Pathology	15 Min
Speech, Language Pathology, Incentive	15 Min		
Community Integrated Employment Job Maintenance	Month		
Assistive Tech Purchasing Agent	Each	Technology for Safety and Independence Purchasing Agent	Each
Socialization and Sexuality Education, Standard	Each		
Socialization and Sexuality Education, Incentive	Each		
		Employer of Record	Day
		Transportation Mile	Mile
Assessment for Personal Support Technology and Developing and Authorizing Person-Centered Enabling Technology Integration Plans	15 Min	Assessment for Personal Support Technology and Developing and Authorizing Person-Centered Enabling Technology Integration Plans	15 Min
Vendor/Call Center for Remote Support	15 Min	Vendor/Call Center for Remote Support	15 Min

## APPENDIX F: HB 395 MINIMUM WAGE CONSIDERATIONS

This appendix details the impact of House Bill 395 minimum wage requirements on rates within the scope of this study. The statewide minimum wage rate is \$12.00 per hour, as of January 1, 2023. The base rates within the scope of this study are each above the current statewide minimum wage.

Per DDSD's request, PCG has calculated the impact of instituting a 150 percent of the statewide minimum wage standard to each position impacted (\$18.00 per hour). The positions potentially impacted are Direct Care Staff/Direct Support Professional, Community Direct Support, In-Home Living Provider, Family Living Provider/Substitute Care Provider, and Respite Provider. The table below shows the fiscal impact of increasing the impacted rates within the scope of this study to \$18 per hour.

	Fiscal Impact of Rates considering 150% MW Req.	Fiscal Impact of Recommended Rates	Increased Cost assuming \$18/hour for Impacted Positions
<b>Developmental Disabilities Waiver</b>	\$ 44,020,425.08	\$ 38,655,408.96	\$ 5,365,016.12
<b>Medically Fragile Waiver</b>	\$ 602,374.28	\$ 542,169.82	\$ 60,204.46
<b>Mi Via Waiver</b>	\$ 14,463,141.05	\$ 14,315,891.65	\$ 147,249.40
<b>Total</b>	<b>\$ 59,085,940.41</b>	<b>\$ 53,513,470.44</b>	<b>\$ 5,572,469.97</b>

The following table shows the rate change from the Current Rate and Recommended Rate for those positions impacted by this higher wage requirement. Please note that for the Mi Via Waiver, the only rate that varies from PCG's recommended rate when adjusted for this minimum law's requirement is the rate for Respite. In the table below, the Mi Via Waiver rate shown for the current, recommended, and 150 percent minimum wage columns each are the maximum dollar amount for each Mi Via Waiver range.

Waiver	Service	Position	Unit	Current Rate	Recommended Rate	150% Min Wage Rate	Variance Current to 150% Min Wage
DD	Customized Community Support, Individual	Direct Care Staff, Direct Support Professional	15 Min	\$8.86	\$11.62	\$11.97	35%
DD	Customized Community Support, Group Cat 1	Direct Care Staff, Direct Support Professional	15 Min	\$2.68	\$2.81	\$2.89	8%
DD	Customized Community Support, Group Cat 2 Extensive Support	Direct Care Staff, Direct Support Professional	15 Min	\$5.21	\$6.40	\$6.56	26%
DD	Customized Community Support, Small Group	Direct Care Staff, Direct Support Professional	15 Min	\$5.73	\$5.73	\$5.78	1%
DD	Customized In-Home Supports, Living with Family or Natural Supports	Direct Care Staff, Direct Support Professional	15 Min	\$7.99	\$7.99	\$8.12	2%
DD	Customized In-Home Supports, Living Independently	Direct Care Staff, Direct Support Professional	15 Min	\$7.99	\$7.99	\$8.12	2%
DD	Family Living	Family Living Provider	Daily	\$152.96	\$181.39	\$181.39	19%
DD	Supported Living Cat 1 (Basic)	Direct Care Staff, Direct Support Professional	Daily	\$210.35	\$210.35	\$213.79	2%
DD	Supported Living Cat 2 (Moderate)	Direct Care Staff, Direct Support Professional	Daily	\$258.69	\$258.69	\$265.10	2%
DD	Supported Living Cat 3 (Extensive)	Direct Care Staff, Direct Support Professional	Daily	\$339.09	\$339.59	\$348.84	3%
DD	Supported Living Cat 4 (Extraordinary)	Direct Care Staff, Direct Support Professional	Daily	\$435.81	\$440.25	\$451.49	4%
DD	Respite	Respite Provider	15 Min	\$4.82	\$7.08	\$8.03	67%
MF	Home Health Aide	Home Health/Personal Care Aide	Hour	\$30.46	\$42.93	\$47.84	57%
MF	Respite Home Health Aide	Home Health/Personal Care Aide	Hour	\$30.46	\$42.93	\$47.84	57%
MV	Community Direct Support	Direct Care Staff, Direct Support Professional	15 Min	\$15.48	\$15.48	\$15.48	0%
MV	Customized Community Group Supports	Direct Care Staff, Direct Support Professional	15 Min	\$8.82	\$8.82	\$8.82	0%
MV	In-Home Living Supports	Direct Care Staff, Direct Support Professional	Daily	\$150.26	\$181.38	\$181.38	21%
MV	Homemaker/Direct Supports	Direct Care Staff, Direct Support Professional	Hour	\$14.60	\$14.60	\$14.60	0%
MV	Respite Standard	Respite Provider	15 Min	\$3.38	\$7.53	\$8.03	138%

The following tables detail the rate build-up for each impacted position and compare the base proposed rate to the 150 percent standard. Please note the unit rate shown would be the maximum for the corresponding Mi Via range rate.

**Family Living Provider is not calculated below. The Family Living service uses a nonstandard rate methodology which excludes employee hourly figures; therefore, this rate methodology is not impacted by the requirement.**

Developmental Disabilities Waiver, Medically Fragile Waiver, and Mi Via Waiver services potentially impacted:

<b>DD Customized Community Support, Individual</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
Position used for Wage:	<i>Direct Care Staff/DSP</i>	
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 43.65	\$ 45.03
Mileage	\$ 2.84	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 46.49</b>	<b>\$ 47.86</b>
15 Min Rate	\$ 11.62	\$ 11.97
Current Rate	\$ 8.86	\$ 8.86
Increase %	31%	35%

<b>DD Customized Community Support, Group Category 1</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
Position used for Wage:	<i>Direct Care Staff/DSP</i>	
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 42.10	\$ 43.42
Mileage	\$ 2.84	\$ 2.84
Bundeled Nursing Component	\$ 1.79	\$ 1.79
<b>TOTAL HOURLY RATE</b>	<b>\$ 44.93</b>	<b>\$ 46.26</b>
15 Min Rate	\$ 11.23	\$ 11.56
15 min Group Rate	\$ 2.81	\$ 2.89
Current Rate	\$ 2.68	\$ 2.68
Increase %	5%	8%

<b>DD Customized Community Support, Group Category 2 Extensive Support</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
Position used for Wage:	<i>Direct Care Staff/DSP</i>	
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 42.10	\$ 43.42
Mileage	\$ 2.84	\$ 2.84
Bundeled Nursing Component	\$ 6.23	\$ 6.23
<b>TOTAL HOURLY RATE</b>	<b>\$ 51.16</b>	<b>\$ 52.49</b>
15 Min Rate	\$ 12.79	\$ 13.12
15 min Group Rate	\$ 6.40	\$ 6.56
Current Rate	\$ 5.21	\$ 5.21
Increase %	23%	26%

<b>DD Customized Community Support, Small Group</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
Position used for Wage:	<i>Direct Care Staff/DSP</i>	
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 42.10	\$ 43.42
Mileage	\$ 2.84	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 44.93</b>	<b>\$ 46.26</b>
15 Min Rate	\$ 11.46	\$ 11.56
15 min Group Rate	\$ 5.73	\$ 5.78
Current Rate	\$ 5.73	\$ 5.73
Increase %	0%	1%

<b>DD Customized In-Home Supports Living with Family or Natural Supports</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
<b>EMPLOYEE TOTAL</b>	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
<b>RATE</b>	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	\$ 31.96	\$ 32.49
15 Min Rate	\$ 7.99	\$ 8.12
Current Rate	\$ 7.99	\$ 7.99
Increase %	0%	2%

<b>DD Customized In-Home Supports, Living Independently</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
<b>EMPLOYEE TOTAL</b>	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
<b>RATE</b>	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	\$ 31.96	\$ 32.49
15 Min Rate	\$ 7.99	\$ 8.12
Current Rate	\$ 7.99	\$ 7.99
Increase %	0%	2%

<b>DD Supported Living Category 1, Basic Support</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
<b>EMPLOYEE TOTAL</b>	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
<b>RATE</b>	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	\$ 31.50	\$ 32.49
DSP Daily Rate	\$ 199.49	\$ 205.77
Bundled Nursing Component	\$ 5.30	\$ 5.30
Bundled On-Call Component	\$ 1.57	\$ 1.57
Bundled Nutrition Counseling Component	\$ 1.16	\$ 1.16
<b>Daily Rate</b>	\$ 207.51	\$ 213.79
Current Rate	\$ 210.35	\$ 210.35
Increase %	-1%	2%

<b>DD Supported Living Category 2, Moderate Supports</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	<b>\$ 31.50</b>	<b>\$ 32.49</b>
DSP Daily Rate	\$ 230.98	\$ 238.26
Bundled Nursing Component	\$ 24.10	\$ 24.10
Bundled On-Call Component	\$ 1.58	\$ 1.58
Bundled Nutrition Counseling Component	\$ 1.16	\$ 1.16
Daily Rate	\$ 258.69	\$ 265.10
Current Rate	\$ 258.69	\$ 258.69
Increase %	0%	2%

<b>DD Supported Living Category 3 Extensive Supports</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	<b>\$ 31.50</b>	<b>\$ 32.49</b>
DSP Daily Rate	\$ 293.98	\$ 303.23
Bundled Nursing Component	\$ 42.86	\$ 42.86
Bundled On-Call Component	\$ 1.59	\$ 1.59
Bundled Nutrition Counseling Component	\$ 1.16	\$ 1.16
Daily Rate	\$ 339.59	\$ 348.84
Current Rate	\$ 339.09	\$ 339.09
Increase %	0%	3%



<b>DD Supported Living Category 4, Extraordinary Medical/Behavioral</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Direct Care Staff/DSP</i>		
Annual Salary	\$ 35,581.87	\$ 37,440.00
Hourly (2,080)	\$ 17.11	\$ 18.00
ERE/Benefits	\$ 4.06	\$ 4.28
EMPLOYEE TOTAL	\$ 11.56	\$ 12.17
HCBS Subcontractor	\$ 7.62	\$ 7.62
Total Hourly Personnel Cost	\$ 19.18	\$ 19.79
Admin + Program Support	\$ 8.71	\$ 8.99
RATE	\$ 27.89	\$ 28.77
Billable/Non-billable consideration	\$ 31.50	\$ 32.49
<b>TOTAL HOURLY RATE</b>	<b>\$ 31.50</b>	<b>\$ 32.49</b>
DSP Daily Rate	\$ 356.97	\$ 368.21
Bundled Nursing Component	\$ 80.50	\$ 80.50
Bundled On-Call Component	\$ 1.61	\$ 1.61
Bundled Nutrition Counseling Component	\$ 1.16	\$ 1.16
Daily Rate	\$ 440.25	\$ 451.49
Current Rate	\$ 435.81	\$ 435.81
Increase %	1%	4%

<b>DD Respite</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Respite Provider</i>		
Annual Salary	\$ 33,488.00	\$ 37,440.00
Hourly (2,080)	\$ 16.10	\$ 18.00
ERE/Benefits	\$ 3.83	\$ 4.28
EMPLOYEE TOTAL	\$ 10.88	\$ 12.17
HCBS Subcontractor	\$ 5.33	\$ 7.62
Total Hourly Personnel Cost	\$ 16.22	\$ 19.79
Admin + Program Support	\$ 7.36	\$ 8.99
RATE	\$ 23.58	\$ 28.77
Billable/Non-billable consideration	\$ 25.47	\$ 31.08
Mileage	\$ 2.84	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 28.30</b>	<b>\$ 32.14</b>
15 Min Rate	\$ 7.08	\$ 8.03
Current Rate	\$ 4.82	\$ 4.82
Increase %	47%	67%

<b>MF Home Health Aide</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
<i>Position used for Wage: Home Health/Personal Care Aide</i>		
Annual Salary	\$ 29,182.40	\$ 37,440.00
Hourly (2,080)	\$ 14.03	\$ 18.00
ERE/Benefits	\$ 3.33	\$ 4.28
EMPLOYEE TOTAL	\$ 9.48	\$ 12.17
HCBS Subcontractor	\$ 12.41	\$ 12.41
Total Hourly Personnel Cost	\$ 21.90	\$ 24.58
Admin + Program Support	\$ 9.94	\$ 11.16
RATE	\$ 31.84	\$ 35.75
Billable/Non-billable consideration	\$ 40.09	\$ 45.00
Mileage	\$ 2.84	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 42.93</b>	<b>\$ 47.84</b>
Current Rate	\$ 30.46	\$ 30.46
Increase %	41%	57%

<b>MF Respite Home Health Aide</b>	<b>Standard Rate</b>	<b>150% Min Wage</b>
Position used for Wage:	<i>Home Health/Personal Care Aide</i>	
Annual Salary	\$ 29,182.40	\$ 37,440.00
Hourly (2,080)	\$ 14.03	\$ 18.00
ERE/Benefits	\$ 3.33	\$ 4.28
EMPLOYEE TOTAL	\$ 9.48	\$ 12.17
HCBS Subcontractor	\$ 12.41	\$ 12.41
Total Hourly Personnel Cost	\$ 21.90	\$ 24.58
Admin + Program Support	\$ 9.94	\$ 11.16
RATE	\$ 31.84	\$ 35.75
Billable/Non-billable consideration	\$ 40.09	\$ 45.00
Mileage	\$ 2.84	\$ 2.84
<b>TOTAL HOURLY RATE</b>	<b>\$ 42.93</b>	<b>\$ 47.84</b>
Current Rate	\$ 30.46	\$ 30.46
Increase %	41%	57%

## APPENDIX G: MI VIA WAIVER SURVEY QUESTIONS

### Mi Via Survey

#### Start of Block: Basic Info

Intro Public Consulting Group LLC, on behalf of the New Mexico Department of Health, Developmental Disabilities Supports Division (DDSD), is asking Mi Via employees to answer some questions about service delivery for certain services in the Mi Via Waiver. Currently, Mi Via rates are based on rates for comparable services offered under the Developmental Disabilities Waiver. Your input in this survey will help inform PCG's recommendations to DDSD in its rate study.

Page Break



Q01 In what region(s) of New Mexico do you provide services? Please select all that apply.

- Statewide (90)
- Bernalillo County (10)
- Catron County (11)
- Chaves County (12)
- Cibola County (13)
- Colfax County (14)
- Curry County (15)
- De Baca County (16)
- Doña Ana County (17)
- Eddy County (18)
- Grant County (19)
- Guadalupe County (20)
- Harding County (21)
- Hidalgo County (22)
- Lea County (23)
- Lincoln County (24)
- Los Alamos County (25)
- Luna County (26)
- McKinley County (27)
- Mora County (28)
- Otero County (29)
- Quay County (30)
- Rio Arriba County (31)
- Roosevelt County (32)
- San Juan County (33)
- San Miguel County (34)
- Sandoval County (35)
- Santa Fe County (36)
- Sierra County (37)
- Socorro County (38)
- Taos County (39)
- Torrance County (40)
- Union County (41)
- Valencia County (42)

Page Break



Q10 Which Mi Via service(s) do you provide? Please select all that apply.

- Behavioral Support Consultant - H2019 (10)
  - Community Direct Support - H2021 (11)
  - Consultant Services - T2025 (12)
  - Customized Community Group Supports - S5100 (13)
  - Homemaker/Direct Supports - 99509 (14)
  - In Home Living Supports - T2033 (15)
  - Occupational Therapy - G0152 (16)
  - Physical Therapy - G0151 (17)
  - Private Duty Nursing – Adults Registered Nurse - T1002 (18)
  - Respite Standard - T1005 (19)
  - Speech/Language Pathology - G0153 (20)
  - Technology for Safety and Independence - T1999 (21)
  - Some other Mi Via Service (Please specify) (95)
- 

Page Break

Q02 Other than your role providing Mi Via services, do you have other employment?

- Yes (1)
- No (2)

Page Break

Q03 Do you work for a vendor agency?

- Yes (1)
- No (2)



Q08 Do you also provide services to participants in the Developmental Disabilities (DD), Supports, or Medically Fragile (MF) waivers? Please select all that apply.

- Developmental Disabilities waiver (1)
- Supports waiver (2)
- Medically Fragile waiver (3)
- None of these (9)

End of Block: Basic Info

Start of Block: Vendor Questions

Q04 Which vendor agency do you work for?

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Q05 Do you contract with the agency or are you an employee of the agency?

- Contracted (1)
- Employee (2)



Q06 Does the agency you work for provide you with any of the following benefits? Please select all that apply.

- Health insurance (1)
- Dental insurance (2)

- Vision insurance (3)
- Some other benefit (Please specify) (7)

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- None of these (9)

Page Break



Q07 Does the agency you work for provide any paid time off? Please select all that apply.

- Holidays (1)
- Vacation (2)
- Sick days (3)
- Some other type of paid time off (Please specify) (7)

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- None of these (9)

End of Block: Vendor Questions

Start of Block: Rate Questions

Display This Question:

*If Do you also provide services to participants in the Developmental Disabilities (DD), Supports, or... != None of these*



Q09 Are you paid the same rate for the same or similar services, regardless of the waiver?

- Yes (1)
- No (2)
- I'm not sure (8)



Q11 How was the rate for the Mi Via services you provide determined? Please select all that apply.

- Participant/Employer of Record (EoR) proposed rate (1)
- I, or the agency I work for, proposed the rate (2)
- The rate is negotiated between the participant/EoR and myself, or the agency I work for (3)

Display This Choice:

*If you work for a vendor agency? = Yes*

- There is an agency rate for Mi Via services (5)
  - Some other method (Please specify) (7)
- 

Q12 If there anything else you would like us to know regarding rates?

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Q17 We may contact individuals to provide more information on Mi Via services. If you would like to be considered for further outreach, please leave your contact information below.

- Name: (1) \_\_\_\_\_
- Email: (2) \_\_\_\_\_
- Phone Number (3) \_\_\_\_\_

Page Break

Outro Thank you for completing this survey. If you have questions or comments about PCG and DDSD's rate study, please contact us at [NMHCBSRateStudy@pcgus.com](mailto:NMHCBSRateStudy@pcgus.com).

**End of Block: Rate Questions**

## APPENDIX H: MI VIA SURVEY RESPONSES TO OPEN-ENDED QUESTION

### Q12 - Is there anything else you would like us to know regarding rates?

Pay rate is not comparable to minimum wage for the amount of services provided to participant. The annual budget is not set high enough for services needed.

No

The cap of \$14.60 per hour is too low.

No.

Not enough income for me to live. I have had to use credit cards to pay my way for the last 15 years. I see No prospect of our pay rate keeping up with current inflation, I only get further in to debt. It is not a realistic living wage. There is no chance for raises as I have been at the limit for several years, while our cost of living keeps on increasing further & further. Please pay a living wage.

The rates are significantly lower than the other NM Waiver Programs.

With the economy going up, I believe that pay increase should go up too.

The rates for many services are ridiculously low. I haven't had a break in four years. Have u looked at like the respite rates? they are a joke...i've paid more than that for typically developing kids..All your rates are under treated....DSP should be receiving a minimal of \$20/hr The DOH and its leadership ARE TOTALLY OUT OF TOUCH. Come to my house and do a shift w my son. None of them would last an hour

It would be useful to afford higher rates when staff remain for more than a year. The hours we offer range from 40, 20, to 18 hrs per week. It would be really helpful to have higher rates when those on the lower end stay for over a year of quality, consistent, dependable support. Obviously, for those who work 20, 18 hrs weekly it's always a concern when we hire because that is too few hours. In fact, an incentive increase for all employees would be great. Post Covid, many agencies have increased the start pay. MiVia's strict limits on the hourly rate is falling behind. The Community Direct Support pay is also too low, not in line with the tasks that staff on for medical appointments. I would really like to remind that because employees have no access to medical insurance, it can be really rough to work for an employer who does not offer this perk. For that reason, higher wage windows would be so helpful.

No

I have found , in NM, the rate in home living supports charges individuals ranges from 8-20% and no where is the percentage rate or dollar amount clearly noted on any form when signing up with an In home Living Support Agency. This reeks of fraudulent behavior to me. Many individuals do not even realize the company is taking a portion of their pay. Words like extortion and political favors come to mind when I think the state is allowing companies to charge whatever they feel and there is no regulations prohibiting excessive fees. In some states, like NY, it is unlawful to take a percentage when billing CMS. Has anyone checked the CMS guidelines for NM? If anyone thinks this is fair, I am more than happy to submit your hour to your employer and only take \$525. for my service, bargain rate! Can you live without those funds especially today with inflation? Lastly, as a certified medical biller and an accountant, I should not be forced to have an In Home living support agency to use code T2023 In home living supports. I should be able to use this code, as it is specific to what I do for my son, myself and keep all my pay. Respectfully, Margaret Keane 505-280-0875

Pay needs to be increased

Not really

They are too low. They don't cover even basic living expenses. Taking care of people who are disabled is more work than than just house keeping.

Since Albuquerque or bigger cities/town have more access to job market and/or personnel and more availability of things to do than the rural areas....it might be advisable to provide a broader range of rates for some services. It is tough to find personnel within our area to provide community services.

Mi Via pays less than DDW

No.

The range of rates in place now are too low to provide a standard of living above poverty level, especially if you support a family. Providing care, especially personal care, for adults with severe physical disabilities is a hard arduous task. You cannot find quality care for even \$15/hour. New Mexico is a state with little public transportation and even in urban areas, bus stops close to the homes where people with disabilities live are sometimes few and far between. You get marginal people for marginal pay.

Don't quite cover all expenses that are incurred

With the increase cost of paying employees (wages, hourly increase) and the increase cost of supplies and running a small business, the reimbursement rates need to also increase accordingly.

Our "community support navigation" worker has been working with our individual for 22 years. The pay scale for that position has not been altered enough to reflect the longevity of his service. A take-home pay of \$13.35 / hour is not even equal to the mandatory minimum wage in some areas of the state. Other than Workman's Comp, the only other benefit is the newly instituted "sick pay" ( 1 hour for each 30 hours worked). It would be good to have a structured annual pay increase as an incentive and reward for such loyalty.

No

the only reason I do the work at all for such low wages is because I care for the participant and the participant's family. I do not know if I can sustain my work with them because the cost of living has increased so much I need to find a higher paying job in order to avoid homelessness.

No

Homemaker Direct Support Rate is too low to make a living wage in this county.

The rate should be raised

Unaware of any rates offered for EOR positions

I have 3 Mi Via families I provide PT services and the rates have not changed in several years since becoming involved with the program.

No

Rate is much less than any other insurance

The rate for Homemaker Direct is paid at the same top rate of \$14.60 per hour, which has NEVER been raised in the approx 12 years I have been providing services. 12 years without a raise is devaluing of providers and the top rate for this category needs to be raised to 20.00 an hour.

As EOR I do not receive compensation.

I thought my rate was changing this year when the new plan started. However, Palco still has it listed as the old rate. This is 2-3 months after all the paperwork was done. My EOR is working with Palco to fix it for me.

I've been caring for my son 24/7 since his accident 23 years now mi via does not pay well

We are struggling. Inflation has far outstripped what my small paycheck provides for the participant and myself. We really do need an adequate living wage. My check, every two weeks, pre-tax is \$1168. Post-tax drops it to mid-900's, or roughly \$460 per week. No benefits, nothing. All comes out of my pocket before I can even consider going grocery shopping.

Competitive pay is always important as it can be difficult to find dedicated compassionate workers.

not at this time.

I'm a single parent now after my husband passing, So ,Paying bills is very important so my daughter Adriana is safe in her (our)home,



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Due to a drastic increase in minimum wage, the consumers I work for have lost almost 20 hours per week of staffing while those on dD waiver have not. They are looking at leaving mi via waiver to get adequate hours of staffing. This rate has been the same for the last 10 yrs... idk why it's been the same.. high inflation gas prices and working through a pandemic.. with 6% raising on inflation its hard to go to work do thing we once liked with our consumers especially wages we have. We live about to 75 miles one way to the city to do anything like shopping nd Laundry nd we got denied milage due to its not being a life threatening.. idk why it's not life threatening that my consumer doesn't drive nd he needs to get food. Very sad... our wages needs to be competitive as we work with individuals with multiple disabilities..

---

Under Mi Via services, there is a lot of unbillable work that is done, but is required in order to ensure accurate documentation/record-keeping and also ensuring the health and safety of the individual. Travel time to and from participants' homes, writing reports, and other important services are not billable, and a great deal of time is spent completing these tasks to ensure that our individuals are receiving the best possible service.

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If you look at our rate study you will notice that the amount of support required for the Mi Via and Self-Directed Supports Waiver is incommensurate with the set fee we receive for providing this necessary service. Particularly: monthly travel to every participant incurs extremely high mileage costs (gas, wear and tear on vehicle) and insuring that our participants are in safe supportive environments, getting the best possible services for their needs, incurs a lot of time and skill.

---

Mi via needs to pay more regarding rates. I also think that when we have a right to negotiated rates for SLP/OT/PT we should be given that not have to pay the higher rate they will deny services if we do not pay the higher rate. IHLS percentage is also negotiable and they are charging up 10% and they are not doing anything but cutting the check. We are not really getting a service from them.

---

I noticed the majority of my time spent working on tasks such as paperwork, contacting various agencies, entering notes, updating databases, traveling to participant homes, and responding to emails or phone calls is unbillable. Although visiting with families and completing monthly contacts is direct consultant work the work I do behind the scenes regarding participants is vital and should be billable as well.

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Given the recent increase in travel time to complete monthly face-to-face visits, my current compensation is not adequately meeting the amount of money and hours that Consultants and Consultant agencies have to put in to meet this recent requirement. In addition, several of my participants are having difficulty finding a Homemaker Direct support person because of how low the hourly rate is for a position that requires highly specialized and personal care. Most times when a support person is found, they end up leaving the position within a short amount of time to pursue higher paying positions.

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The pay is not enough for living in our region in northern New Mexico. Rents are very high here and can take over half the gross an employee makes for a 40-hour week. Mi Via employees need to buy food, pay car payments, insurances and take care of health needs with the balance of what they make. It is not sustainable or a living wage. Also, employees do not feel appreciated because there is no provision for pay increases annually or any other bonus for good service and long time on the job. There should be an annual cost of living increase also. Without better pay, the Mi Via participants cannot hold onto long term employees and it is very difficult to hire when they can get a much easier job than the demanding care giving of high-needs individuals, and at a better wage. There is competition from large corporations or government entities like the Los Alamos National Laboratory and Taos Ski Valley. The starting wage at Taos Ski Valley is higher than many Mi Via employees are making after 10 years or more work and there are personal and family benefits provided also, where there are none working with Mi Via.

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Yes. The current rate was the recommended rate when consultants were doing 4 home visits per year. We are now doing 12 home visits per year. This is a significant increase in cost to the agency. We are not making more that we are spending.